

**Public Service Agreement 2010 -2014 (Croke Park Agreement)
CIVIL SERVICE AND NON-COMMERCIAL STATE AGENCY SECTOR
STATE AGENCY ACTION PLAN
For submission by 6 January 2011**

1. Better human resource management <i>Actions to include under this heading include reductions in numbers, redeployment, reconfiguration of service delivery, revisions in attendance arrangements, better attendance and absence management, etc.</i>			
Terms of the Public Service Agreement 2010 – 2014 (refer to all relevant paragraphs)	Action	Timeframe	Benefits Arising 2010 - 2014
4.1	<p>The CER has implemented numerous initiatives over the last few years all with the aim of improving quality and driving efficiency gains. (please refer to Part 4 of Appendix 1 for details) and it is evident that the organisation is now carrying out more significant responsibilities compared to that in 1999 when it was established. The CER does not receive any exchequer funding and its activities are funded through a levy on market participants in both the gas and electricity markets.</p> <p>In preparing this template, the CER has evaluated its spending and allocation of resources across the organisation and with business plans that include the implementation of the 3rd Package of European legislation, the management of CAG and development of the Upstream and Down Stream Safety Function. Taking the above into consideration the CER believes that significant efficiency saving have already been demonstrated in recent years across the organisation.</p> <p><u>Implementation of the 3rd Package</u></p> <p>Legislation from Europe on electricity and gas regulation, known as the “Third Package”, includes a requirement that each Members State shall have a designated national regulatory authority on energy matters (which is the CER in Ireland’s case). Directives 2009/72/EC and 2009/73/EC also stipulate that in order to protect the independence of this regulatory authority, each Member State shall ensure that the regulatory authority has separate annual budget allocations, with autonomy in the</p>	On going	The CER will deliver the following new upcoming tasks without an increase in staffing or additional consultancy resources-

implementation of the budget, and that it has adequate human and financial resources to carry out its duties.

The package will include a number of significant changes that the CER will take responsibility for,

- I. Regulators' statutory powers and duties will be strengthened. For example, regulators will be able to issue binding decisions on national gas undertakings and adopt the necessary measures to promote effective competition.
- II. Regulators will be required to cooperate with regulators from other Member States.
- III. All regulators will have the same clear objective of promoting competition, effective market opening and an efficient and secure network.

The implementation of this package will create additional work for the CER including analysis of the legislative provisions, engagements with DCENR on the implementation of legislation and delivery of the agreed changes.

Administration of the Carbon Levy

The Carbon Revenue Act 2010 was passed in June 2010. The levy has been put in place to recover a substantial portion of the unearned carbon windfall gains that generators currently receive through the Single Electricity Market. The Act conferred a number of new functions on the CER in relation to the administration of the levy. The CER will collect the levy from generators on a quarterly basis. The money will then be paid out to large energy users as per Ministerial direction.

The administration of the levy has created a number of new once off and ongoing tasks. The finance systems and internal procedures have been put in place by CER to administer the levy and a consultation exercise has taken place with industry to develop the most efficient procedures for collection. Interaction with the DCENR was also required during the development of the legislation. All of the carbon revenue levy work will be carried by the CER without any additional resources and within existing budgets.

Safety Regulation (LPG installers)

The CER has been given additional responsibilities with respect to the safety regulation of LPG installers under the Chapter 3 of the Energy (Biofuels Obligations) Miscellaneous Provisions Act 2010, and will be obtaining further responsibilities with respect to the safety regulation of the LPG distribution undertakings, LPG incident investigation etc under the Energy (Miscellaneous Provisions) Bill (expected in 2011). The CER has committed to undertake these additional safety functions within the recently approved safety staff complement for downstream natural gas safety responsibilities through more efficient use and management of those resources

Common Arrangements for Gas (CAG)

The Common Arrangements for Gas (CAG) is a cross border project, which is being led by the CER and the Northern Ireland Authority for Utility Regulation (NIAUR). Its aims are to create fair and transparent gas trading arrangements across the island of Ireland, whereby all stakeholders can buy, sell, transport, operate, develop and plan the natural gas market north and south of the border effectively on an all island basis.

In July 2010 both Ministers North and South gave firm commitments to the project and indicated that legislation could be put in place to support CAG by the end of 2011. This project is being planned on the basis of an implementation date for common all-island wholesale market arrangements on 1st October 2012 and for a common framework for regulation of retail markets on 1st October 2014.

This is a major project which will co-ordinate a number of work streams such as the Operations, Tariffs, Retail and legislation & licensing, including the CAG System Operator (CAGSO) institutional arrangements. The project will also establish the governance arrangements underpinning the CAG wholesale and retail markets. As well as operational savings for the Irish Gas Market, this project will provide other major strategic benefits as a consequence of the enlarged market and will facilitate the attraction of major infrastructure projects such as LNG and Gas Storage

2. Better Business Processes Actions under this heading would include efficiency measures including procurement, revisions to business process, reconfigurations and other changes to service delivery options, including sharing of service, revisions to regulatory/inspection actions, and so on.

Terms of the Public Service Agreement 2010 - 2014	Action	Timeframe	Estimated Savings/Benefits Arising 2010 - 2014
<p>4.13: Procurement</p>	<p>Procurement Principles and High Level Goals The common principles underpinning the annual Procurement Plan are:</p> <ul style="list-style-type: none"> • Carry out procurement in a manner consistent with EU and national procurement law; • Comply with procurement reform policy objectives set out in the National Public Procurement Policy Framework; • To ensure value for money is being achieved; and • To enable the strategic objectives of the Commission to be met. <p>The key objectives of the Procurement Planning process are;</p> <p>A. <i>Take a strategic overview of procurement</i> Undertake annual portfolio analysis using the SUPREM supply positioning tool to identify key areas of spend plus key suppliers. Identify scope for aggregation of demand into large contracts to increase leverage as a buyer and ensure transaction processing efficiencies are achieved. Identify scope for collaborative arrangements e.g. through use of government framework agreements established by the National Procurement Service. Create procurement performance measures against agreed baseline by introducing efficiency targets and outputs measures e.g. reduce incidence of maverick spending by defining purchasing strategy to be undertaken per category of spend; evaluate spend after three months and compare with quarterly spend for other years and make adjustments as necessary.</p> <p>B. <i>Adopt a commercial approach, in line with best value principles, to all procurement decisions.</i></p>		<p>More efficient use of resources; greater use of economies of scale.</p> <p>The annual procurement plan will be subject to quarterly review by the Director of Operations plus bi-annual review by the Chairperson of the Commission.</p>

Evaluate all responses to request for tenders using quality as well as cost as part of the evaluation matrix. Use whole life cost where appropriate. Review procurement processes and contract regulations on a periodic basis to ensure compliance with legislative and best practice requirements

C. Develop scope for e-procurement

Ensure new contracts incorporate requirements for e-trading wherever possible.

Avail of capabilities of e-tendering using the government portal www.etender.gov.ie e.g. post-box facility.

D. Simplify business processes

Review existing Internal Guidelines (procedures plus templates) to ensure processes are stream-lined in so far as is practicable.

Ensure effective interfaces with other authorities systems and processes.

Determine an approach for reducing the number of invoices.

E. Improve communications with markets

Publish bi-annual procurement programme of forthcoming contracts using outputs from this procurement plan plus corporate business plans.

Identify markets that do not deliver optimum performance and seek to develop/ manage them to better effect.

F. Ensure availability of appropriate training and guidance for all staff involved in procurement (cross-functional teams)

Undertake procurement skills gap analysis.

Develop training programme, buying in expertise as required.

Update procurement guidance reference manual covering principles and processes in a summarised mini guide.

G. The organisation of procurement will remain unchanged but:

Develop feedback system for identifying lessons learned from individual procurement exercises and sharing best practice.

H. Ensure all suppliers are treated fairly and openly in the awarding of Commission contracts

Review ethical code as part of the procurement procedures document and integrate with the Commission's code of business conduct.

I. Commit to continuous improvement of all procurement practices and procedures.

	<p>Regularly review contracts terms and conditions, procurement internal guidelines and toolkit. Establish and monitor key performance indicators for procurement.</p>		
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3. Delivering for the Citizen <i>Actions under this heading would include efficiency measures and improvements to the processes by which your Department/body delivers its services to the public, including changes to the technology used, better data management, including around identity, and so on.</i>			
Terms of the Public Service Agreement 2010 - 2014	Action	Timeframe	Estimated Savings/Benefits Arising 2010 - 2014

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