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Scaling back remote working should be on the agenda as payback for public sector pay rises

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6–8 minutes

Trade unions want more money in a new public sector pay deal, which is fair enough. But the Government has no plan for what it wants in return except to minimise costs.

The money involved is important. A 1 per cent pay increase for more than 420,000 public workers costs about €430 million. Over a few years, multiplied by the increase agreed, that is billions baked into public spending as a recurring cost forever. But at least as important as the cost is the value.

Working from home was an unplanned change that, in some public organisations, is neither well managed nor credibly policed. It has some benefits for those who can, but many public sector workers like teachers and nurses can't avail of it.

But over six years on since Covid, the unintended consequences are clear: remote working is insidiously undermining future leadership and effective delivery in the State from the bottom up. Certainly, process work in the Revenue, for example, can be successfully delivered remotely. But in departments with responsibility for both policy and delivery, then it is inevitable that cohesion, camaraderie and capacity will palpably suffer if most people – or many of them – spend most of their time out of the office.

Too much of the public service whose pay will be increased do not know their organisation or the people in it as well as they should. There is a lack of daily interaction. There are days on which almost nobody is there.

The remoteness is not just from the office; external stakeholders and even Ministers and advisers feel that they find it hard to make contact with individuals or get face to face meetings. Ultimately government is not a remote activity.

This is not true for every person in every department, but they are general trends of concern to senior people.

After the integrity of politics, the capacity of our public service is the most important pillar of the State. In an Ireland shaken to its core by the economic crash, the electorate cleaned out the political stables. Under a new government in 2011, the Department of Public Expenditure and Reform was created, and public sector reform was one of its key objectives.

A credible start was made, but delivery stalled. Initiatives on shared services, outsourcing and digitalisation were begun but are piecemeal now and are inadequate for future need. It is not an accident that IT projects have gone awry in a public service where the central support for individual State organisations from Government comes too little or too late.

These are administrative issues that public servants generally lay at the door of what is now the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. But a bigger issue is that there is no overarching vision for the public service in a technologically transformed world, nor plans to deliver it.

[‘It’s part of the dance’: State and union sides posture over new public-service pay dealOpens in new window]

The pay negotiations are not part of a strategic plan – they are a tactical reaction to the fact that one pay agreement has expired and another is required. Public pay accounts for a third of public spending, but there is no pre-legislative or equivalent interrogation of its objectives.

The end of social partnership with the economic crash permanently reduced the footprint of the Department of the Taoiseach, something accentuated since by political rotation of the office. The last minister who majored on the public service was Brendan Howlin, who was minister for public expenditure and reform from 2011 to 2016 – no minister since has really dug into it or tried to get to grips with it.

As a result, a central pillar of the State is reduced to an administrative subset in a Department of Public Expenditure with the power to control it, but no responsibility to develop it. This mutates as public sector-wide excuse-making for inaction – the very thing the same department seeks to challenge with its Accelerating Infrastructure Taskforce. It is not a virtuous circle.

In the meantime, year on year, future leaders are rising through the ranks in organisations where they are almost outsiders. We are never going back to a five-day week in the office, but if most of the time is not spent physically in the organisation with colleagues, learning from them and socialising with them, we are storing up enormous negative consequences for the public service. This should be on the agenda as payback for pay rises. But it won’t be.

But if it is just about the money, the Government has made a hames of that too. It talks about prudence but has little credibility. Government TDs are giddy with excitement about different ways to spend taxpayers’ money. Fianna Fáil TDs are calling for the VAT reduction to 9 per cent on hospitality businesses to be extended to wet bars. I assumed that was a joke, but apparently not.

[Why Simon Harris will really struggle to move the dial on income tax in the BudgetOpens in new window]

What is more serious is the foray last weekend by the Tánaiste and Minister for Finance Simon Harris to raise the threshold at which workers begin paying the higher rate of income tax to €46,000.

It is astonishing that tax cuts are given away before pay negotiations start. They used to be sweeteners that closed a deal. Trade union leaders are under pressure from their members. They saw the hauliers flummox the Government and extort €750 million. Understandably they now think that this is how it is done. In fact, doing business that way is bad for public services and public servants, but the pass has been sold. A spendthrift Government bragging about its bulging coffers cannot credibly refuse to buy its round.

Minister for Public Expenditure Jack Chambers has a Coalition partner who won't help, and his own party has no enthusiasm either. It is nostalgic now to read the Public Service Reform Plan 2014-2016. It pulled its punches and notably failed to rewrite the Ministers and Secretaries Act, 1924, which remains the miasma of unaccountability under which the State is governed.

The proposal to appoint an external head of the Civil Service over an accountability board never happened, and instead the Taoiseach is the chair, which was a recipe for subsequent inactivity. But real momentum was delivered at the time. That has since largely evaporated, despite the fact that the issues at stake are fundamental for the future of the State.

That is why the money, no matter how many billions are involved, is the least important part of what is really at stake in the pay talks.