



National Economic and
Social Development Office

Annual Report
For the Year Ended 31 December 2008



An Oifig Náisiúnta um Fhorbairt Eacnamaíoch agus Shóisialta
National Economic & Social Development Office NESDO

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1. Introduction

The National Economic and Social Development Office (NESDO) was established by the National Economic and Social Development Office Act, 2006. The functions of NESDO are to advise the Taoiseach on all strategic matters relevant to the economic and social development in the State. It performs that function by

- facilitating and promoting complementary programmes of research, analysis and discussions by its three constituent bodies, the National Economic and Social Council (NESC), the National Economic and Social Forum (NESF) and the National Centre for Partnership and Performance (NCP);
- providing shared administration and support services for the constituent bodies;
- submitting to Government any reports, recommendations or conclusions of a constituent body given to it which may arise from any research, survey or study carried out by the body; and
- arranging for the publication of such reports, recommendations or conclusions of such body.

The provisions of the Act came in to force on 1 January 2007 by way of an order signed by the Taoiseach appointing that day as the 'establishment day', as provided for in the Act.

The primary role of NESDO is to add value to the work of its constituent bodies by creating the conditions under which synergies can be created, joint projects pursued and the potential for duplication minimised. NESDO promotes the development of a shared vision for realising these goals and encouraging the constituent bodies to maximise their efforts through collaborative policy development initiatives. NESDO also provides shared accommodation, administration and support services for its constituent bodies. Among the services it provides to the bodies are accounting, human resource management, IT and general administration.



2. FuturesIreland Project

NESDO was asked by the Department of An Taoiseach and the Social Partners to conduct a foresight exercise on the Learning Society. The project commenced in April 2007 and is scheduled for completion in mid-2009.

The project, called *FuturesIreland*, examines current assumptions and beliefs that orientate practice, thinking and policy-making in Ireland and, in doing so, works to develop greater insight about future possibilities. It builds on analyses and work within the NESDO bodies which in their work have increasingly highlighted fundamental challenges of governance and organisation in a more experimentalist, participative and socially dynamic society.

Rather than replicate existing futures work, *FuturesIreland* aims to build on and complement them. This is reflected in both its substantive focus and the method adopted. In order to add value to existing scenarios work, the project is focusing on two particular areas:

- Innovation in the context of uncertainty and ambiguity; and
- The overlap and interaction between wealth creation, society and governance/ decision making.

The approach to exploring these themes is informed by:

- Network thinking, which helps illuminate the similarities and interactions between innovation and organisational issues in the business/economy sphere, society and public governance; and

- Experience, which shows that people have the ability to imagine and/or create new possibilities in practice.

The project involved three linked phases of work: (i) reflection and validation with senior-level actors, (ii) search and research among people with cutting-edge experiences and ideas, and (iii) analysis and discussion with international experts. In carrying out this project NESDO worked with a national advisory panel, a consultative panel and a number of experts (Table 1).

A report, *Evidence and Emerging Findings in the FuturesIreland Project*, was prepared for the National Advisory Panel in November 2008. The report presented the main findings from the search and research work in the *FuturesIreland* project. The members argued that the challenge was to ensure that the findings would be seen as relevant to the financial and economic crisis which at that point was emerging very forcefully.

The NESDO Secretariat is currently finalising a report, *Ireland at Another Turning Point*, which highlights the relevance of the *FuturesIreland* work to the current crisis and to Ireland's long-term future development. This paper will be published in Autumn 2009.

The website www.futuresireland.ie provides further details on the project along with a number of background papers prepared for the National Advisory Panel.

TABLE 1 FuturesIreland Supporting Structures

National Advisory Panel

A 23 member National Advisory Panel (NAP) was established and is chaired by Peter Cassells, Chairperson of the NCPP. The NAP is a critical component of the *FuturesIreland* project. The members of the NAP play key leadership roles in a range of organisations across Irish society. It is with this group that the key hypotheses and ideas concerning Ireland's possible and desirable futures are being worked out and tested. The Panel has met on seven occasions.

Consultative Panel

The role of the Consultative Panel is to examine, in more detail, economic, social and decision-making processes in Ireland. The Panel generated new ideas and accounts about the organisation of economic, social and public governance activity in Ireland and in particular the connections between these spheres. There are 160 people on the Consultative Panel and it has met on three occasions.

International Experts

Work with the International Experts is chaired by Dr. Maureen Gaffney, Chairperson NESF. Three international experts, Professor Carlota Perez (Cambridge University), Professor Yochai Benkler (Harvard University) and Professor Charles Sabel (Columbia Law School, NY) have worked closely with the Secretariat. A workshop with Professor Benkler was held in London in February 2008 and with Professor Perez in Dublin in April 2008. Professor Charles Sabel worked with the Consultative Panel over the course of four days in October 2008.



3. National Economic and Social Council

Introduction

During 2008, the National Economic and Social Council (NESC) continued work on the work programme adopted in 2007 (see Annual Report 2007). The Council's work focused on three projects:

1. The Irish Economy in the Early 21st Century;
2. The European Union; and
3. Ireland's first Periodic Social Report.

In addition, in November and December 2008, the Council discussed the national and international economic crisis and these discussions formed the basis for a Council report, published in March 2009 (see below).

Economic Report

Draft chapters of the Economic Report were discussed at Council meetings from January to April. The report reviewed Ireland's recent economic performance, analysing economic growth, employment and unemployment, incomes and earnings, developments in private and public wealth, cost and competitiveness, the public finances, and emerging challenges. Drawing on the Council's earlier analysis of the relation between economic and social development, the report explored four key themes:

- (i) the future of manufacturing;
- (ii) the rise of services;
- (iii) regional dynamism; and
- (iv) supporting people in a small open economy.

The concluding chapter considered the implications of the emerging economic crisis for Irish policy. Two overarching policy priorities arise out of the analysis:

First, the need to fine tune some of the strategic investments in the National Development Plan, 2007-2013, and the social partnership agreement *Towards 2016*, elements of which need modification in the light of new information and understanding; and

Second, the need to manage a difficult transition for the economy during what is an uncertain conjuncture.

The report closed by discussing the challenge, for government and the social partners, of maintaining a consistent policy approach in extremely difficult circumstances. The Council argued that, in addressing public policy and wage bargaining issues, government and the social partners need to be able to rely on, and take into account, a set of inter-related developments and understandings. These concern the medium term requirements for economic prosperity, the development welfare state, the labour market, competitiveness, modernisation of the public sector and commitment to working within the ten-year social partnership framework of *Towards 2016*. In June 2008, this analysis was published as NESD Report no 117, *The Irish Economy in the 21st Century*.

European Union

In July 2008, the Government requested the Council to evaluate and report on:

- (i) the impact of membership of the Union on the principal aspects of Ireland's economic and social development;
- (ii) the changing profile of Ireland's engagement with the Union as its composition, institutional arrangements and policy acquis have developed;
- (iii) the significance of EU membership and EU performance for Ireland's interests in a global context; and
- (iv) the factors likely to impact on Ireland's strategic interests in Europe over the period ahead.

In September, the Council discussed the Secretariat's proposal on how this study should be undertaken. Secretariat work proceeded from September to November, when staff began work on the emerging economic crisis (see below).

Social Report

The Social Report presents indicators of social progress for Ireland within a well-being framework, examining well-being across six domains: (i) economic resources; (ii) work / participation, (iii) relationships / care, (iv) community / environment, (v) health and (vi) democracy / values. The report draws on the well-being literature to provide a rationale for adopting this approach and charts well-being trends in Ireland over the last two decades. Four chapters situate these trends within the life cycle framework, presenting information on children, people of working age, older people and people with disabilities, in line with policy commitments as set out in *Towards 2016*.

Draft chapters of the Social Report were discussed from January through to September. With the sudden and serious onset of the recession the Council focused its attention on addressing the economic crisis in the later part of the year. Further work has been undertaken on the Social Report to spell out the relevance of well-being to social and economic progress at a time of recession.

Economic Crisis

At its November meeting, the Council discussed the international and domestic economic crisis arising from the global credit crunch and the associated recession. For the December meeting, the Secretariat prepared a paper 'A partnership approach to the framework for economic renewal', which stimulated a wide ranging discussion of the crisis. That analysis and discussion provided much of the basis for the work of the Council in the early months of 2009, culminating in the publication of NESC Report 118 *Ireland's Five-Part Crisis: An Integrated National Response*.

ESC Meetings

NESC participated in the Annual Meeting of Economic and Social Councils of the member states of the European Union, hosted in 2008 by The Economic and Social Council of Malta. This focused on comparing the response of national governments and economic and social councils to the international financial and economic crisis.

NESC Council Meetings Held During 2008

The NESC met on ten occasions during 2008

- 18th January
- 29th February
- 14th March
- 18th April
- 16th May

- 20th June
- 18th July
- 19th September
- 21st November
- 9th December

During 2008, Membership of the NESC Secretariat made numerous presentations on Council work, contributed to a range of conferences, seminars and workshops and served on a number of committees and working groups. A number of these activities are listed below.

The Director, Dr. Rory O'Donnell, was a

- Member of the Health Information and Quality Authority (HIQA) Working Group drafting National Quality Standards: Residential Services for People with Disabilities;
- Member of Forfás Tax Advisory Group;
- Alternate Irish member of the Board of the EU Fundamental Rights Agency (reappointed by Minister for Justice Equality and Law Reform in 2007);
- Member of the Advisory Committee of Forfás 'Socio Economic Scenarios';
- Member of the Higher Education Authority (HEA) Working Group on the Future of Arts, Humanities and Social Science;
- Board member, 'Dialogue on Democracy';
- Board member, National Institute for Regional and Spatial Analysis; and
- Member of Executive Committee, Institute of International and European Affairs.

In addition, Dr. O'Donnell was author of 'The Partnership State: building the ship at sea' in M. Adsheed, P. Kirby and M. Miller (eds) *Contesting the State: Lessons from the Irish Case*, Manchester University Press.

Senior Social Policy Analyst, Dr. John Sweeney

- published a paper entitled "Second Tier Child Income Support: The Case for Innovation" in the Journal of the Statistical and Social Inquiry Society of Ireland Vol. XXXVII;
- worked with the Tallaght and Ballymun Boards which are delivering the Prevention and Early Intervention Programmes of the OMC/Atlantic Philanthropies; and
- published 'What is Happening to the Irish Economy?' In the Dublin Review of Books, Issue Number 8 Winter 2008-09.



4. National Economic and Social Forum

Introduction

In the renewed mandate given to it by Government in early 2008, the National Economic and Social Forum (NESF) has been asked to strengthen its focus on examining ways to improve the implementation of policies on the ground. Through its diverse membership and experience of policy processes across institutional and departmental boundaries, the NESF is well positioned to identify public sector innovations and reforms so that public services can better meet individual needs and be delivered more effectively in the future.

NESF Working Structures

With its independent Chairperson and Secretariat, the work of the NESF is structured through:

- Plenary Sessions of the NESF's full 62 members, which debate, inter alia, the work programme and reports/opinions prepared by its Project Teams;
- A Management Committee (representatives of each of the NESF's 4 Strands – see appendix 3), which meets on a regular basis to keep under review the NESF's overall functioning, including formal adoption of the NESF's work programme and of reports from the Project Teams; and

- Project Teams, which are the main bodies involved in the preparation of reports and whose membership comprises balanced representation from each Strand as well as outside experts.

Inaugural Plenary Session

The Chair of the NESF, Dr. Maureen Gaffney, presented a paper to the Forum outlining the scope of the new mandate from government. The paper addressed the major challenges of policy implementation – incomplete and patchy implementation, undesirable unintended consequences, or outright failure of implementation, and set out the way the NESF was going to look at not just the 'hard' reasons for implementation failures, such as budgets, delivery plans and project plans – but also the 'soft' issues, such as leadership, accountability and organisational culture. The Inaugural Plenary Session (under the current term of office) was held in the Royal Hospital Kilmainham on 14th May 2008. The main substantive focus of the session was to discuss the policy themes that members wished to have included in the NESF's new Work Programme.

NESF Work Programme in 2008

The main work areas that were addressed during the course of the year were:

- *Fifth Periodic Report;*
- *Child Literacy and Social Inclusion;*
- *The Home Care Support Scheme for Older People; and*
- *The Social Inclusion Forum.*

Fifth Periodic Report

The Fifth Periodic Report is the latest in a series of reports which the NESF prepares from time to time to review follow-up action, mainly by Government Departments and State Agencies, on the policy reports that it had undertaken over a particular period of time in its work cycle. It assessed the impact on Government policies and programmes of the work that was published by the NESF over the period 2003-2006.

The main areas in the report covered:

- *Older Workers;*
- *Equality Policies for Lesbian, Gay and Bisexual People (LGB);*
- *Social Capital;*
- *Early Childhood Care and Education;*
- *Care for Older People; and*
- *Creating a More Inclusive Labour Market.*

In his foreword to the present report, the Taoiseach, Mr. Brian Cowen TD, praised the NESF for ‘its significant evaluation and analysis of important social challenges’, its recommendations for change and development and for its ‘concise insight into the need for ongoing preparation for, and adaptation to, change in Irish society’.

Child Literacy and Social Inclusion

The NESF Project Team working on Child Literacy and Social Inclusion was established in September 2008, under the Chair of Professor Áine Hyland, recently retired from University College Cork. The NESF Policy Analyst involved was Dr Jeanne Moore. The Team meets on a monthly basis.

The Project is examining the implementation process for those policies that seek to address child literacy and social inclusion. Over 30% of primary school children in disadvantaged areas suffer from severe literacy problems (Department of Education Inspectorate, 2007). The Department of Education and Science has rolled out an Action Plan for Educational Inclusion – *Delivering Equality of Opportunity in Schools* (DEIS) which is designed to provide a more coherent and targeted approach to the problem.

A key aim of the NESF’s work is to pin-point barriers and supports to effective implementation, both in and outside of schools, with particular reference to the home and the local community.

Within a framework of best practice internationally, the Project Team adopted a case study approach, and grounding it in examples of policy delivery. Schools were selected that are currently serving disadvantaged communities taking part in the DEIS Programme. A number of schools in Cork, Limerick and Dublin have been visited by the Secretariat and interviews undertaken with staff and parents. A community project in Dublin was also included in this work.

A public call for submissions resulted in nearly 100 submissions including those from teachers, libraries, parents, children’s organisations, partnership companies and Community and Voluntary groups.

Two papers were commissioned by the Team:

- Mapping of non-school child literacy initiatives and projects by Cynthia Deane; and
- Improving literacy in a school serving disadvantage communities: policy and implementation issues by Dr Eithne Kennedy.

The Project Team expects to complete its work before Summer 2009.

The Home Care Support Scheme

The Home Care Support Scheme, more commonly known as the Home Care Package (HCP) scheme, was introduced in 2006. HCPs were organised and funded by the HSE, to provide care for a person at home. This is usually for an older person, but is also available for people with disabilities. Each package is different as it is built around the person's needs, and can cover the services of nurses, home care attendants, home helps and various therapists, including physiotherapists and occupational therapists. Benefits of HCPs are that a person can be discharged sooner from hospital, or remain at home without having to go into hospital.

The NESF Project Team reviewing the implementation of the HCPs was chaired by Professor Tony Fahey of UCD. The Policy Analyst for the Team was Dr. Anne Marie McGauran. Its terms of reference were:

- Identify the characteristics of an ideal 'outcomes-oriented' approach to policy development and implementation;
- Compare the development and formulation of the Home Care Package scheme to this ideal; and
- Examine on-the-ground delivery of the Scheme to see the degree of policy implementation that occurred, the regional and local variations in this, and factors that might explain those variations.

The ideal 'outcomes-oriented' approach to policy development and implementation was outlined in the OECD 2008 report, *Ireland: Towards an Integrated Public Service*, and recommends that this policy process should involve:

- Clear objectives and targets;
- Good strategy planning;
- Measurement and evaluation;
- Linking performance to budgets;
- Accountability and incentives; and
- Co-ordination with all organisations delivering services in that policy area.

A number of presentations were given to the Project Team on how the Home Care Package policy was developed.

Work is now taking place on Part 3 of the terms of reference. Focus groups were being held with representative groups (including older people, and staff of organisations providing home care packages). Variations in the process by which HCPs are allocated and managed are also being identified through questionnaires from the Project Team to HSE Local Health Offices, and qualitative research.

The Team's work is providing key information on how the home care package policy was designed and is being implemented, the local variations in implementation, and the factors leading to such variations. The project will provide valuable learning on the processes of policy implementation which, more generally, can also be transferred across to other policy areas.

The aim is for the project findings to be written up in early Summer 2009.

The Social Inclusion Forum

The Social Inclusion Forum (SIF), which is convened annually by the NESF with the assistance of the Office for Social Inclusion, attracts a very large number of participants. The satisfaction ratings of those attending continue to rise, with over 70% considering it to be either excellent or very good. The latest meeting of the Forum—the fifth such meeting—was held on 26 November 2008. It took place in the Conference Centre in Croke Park, Dublin to enable as many people as possible to attend.

The Forum was established by Government to provide an opportunity for a wide range of voluntary groups and individuals at local level:

- To present their views and experiences on key policies and implementation issues relating to the National Anti-Poverty Strategy (NAPS);
- To identify barriers and constraints to progress and to suggest how best these may be tackled; and
- To provide proposals for new developments and more effective policies in the future.

This year, the main themes discussed at the workshops were childhood care and development, facilitating employment participation for vulnerable groups, integrated services for older people and the provision of housing and accommodation.

The Forum is seen by the European Commission and throughout Europe as a model of good practice for consultations with civil society on policy matters.

The Conference Report has been circulated to Oireachtas members, NESF members and Government Departments and Agencies, as well as to all those who attended. It will also be submitted for attention to the Cabinet Committee on Social Inclusion, Children and Integration.

NESF Meetings in 2008

- In the Frame or Out of the Picture – Seminar – 25th February
- Management Committee – 22nd April
- Inaugural Plenary – 14th May
- Management Committee – 13th June
- Project Team – Child Literacy – 9th September
- Project Team – Home Care Supports – 9th September
- Management Committee – 17th September
- Project Team – Child Literacy – 7th October
- Project Team – Home Care Supports – 8th October
- Project Team – Child Literacy – 18th November
- Project Team – Home Care Supports – 19th November
- Fifth Social Inclusion Forum – 26th November
- Management Committee – 2nd December
- Project Team – Child Literacy – 9th December
- Project Team – Home Care Supports – 10th December



5. National Centre for Partnership and Performance

Introduction

During 2008, the National Centre for Partnership and Performance (NCP) progressed with the implementation of its four-year strategy, *Irish Workplaces: A Strategy for Change, Innovation and Partnership 2007–2010*. The Centre's mission is to build capacity in the private and public sectors for partnership-based approaches to workplace change and innovation.

The NCP works with a wide range of stakeholders, including the Government and the Social Partners, developing and promoting new ways of working that can significantly benefit organisations and their employees and improve productivity, performance, flexibility, commitment and job satisfaction.

The domestic economic crisis that emerged during 2008 required that the Centre focus on measures to support innovative workplace solutions and partnership-based approaches to economic recovery.

This Report describes the integrated work of the Centre in the following priority areas:

- Research and Policy Analysis;
- Workplace Innovation Fund; and
- Advocacy, Communications and Capacity-Building.

Research and Policy Analysis

National Workplace Surveys

During 2008, the NCPP began the development of the second in its series of National Workplace Surveys. These are the most comprehensive surveys of attitudes towards workplace change and innovation ever undertaken in Ireland, and provide a unique dataset for the analysis and development of public policy on workplace change and innovation.

The National Workplace Surveys comprise three separate surveys as follows: a survey of 5,000 employees in both the public and private sectors; a survey of 1,500 employers in the private and commercial semi-state sector, including manufacturing, construction and services; and a survey of 400 senior management and decision-makers from across the entire public service, including the Civil Service, Defence Forces, Gárda, Prison Service, regional bodies, non-commercial semi states, and the health and education sectors.

The surveys were designed in consultation with key departments and agencies, and the findings will inform public policy in relation to organisational change and innovation, industrial relations and workplace partnership.

Health Sector – Hospital of the Future project

During 2008, the NCPP continued to progress the Hospital of the Future project. The aim of this project is to benchmark management and organisational practices in Irish hospitals against international best practice and to assess the links between particular practices and positive patient outcomes. This research is collaboration between the NCPP and the Health Service National Partnership Forum, health sector unions and the Health Service Executive. Between March and September 2008, a comprehensive survey was carried out in all forty-nine acute hospitals in Ireland. This survey provides data on policies and practices on and organisational practices such as staff involvement and participation, shared governance, multi-disciplinary team working, human resource management and workplace partnership in Irish acute hospitals. The final report will be published in 2009.

National Workplace Strategy

During 2008, the National Workplace Strategy continued to provide the strategic context for the implementation of the NCPP Strategy. A meeting of the High Level Implementation Group was held in May 2008 to review progress on the implementation of the Strategy. The Group agreed a new format for the remainder of the implementation period, with a shift of emphasis to issue-specific strategic seminars and policy analysis.

Statement on Innovation Policy

During 2008, the NCPP worked with the Department of Enterprise, Trade and Employment in the development of its Statement on Innovation Policy, and the accompanying background paper. The Statement on Innovation Policy (June 2008) charts the main components of Ireland's national innovation system, and highlights the role of Partnership and Workplace Innovation as one of ten key policy areas that underpin the Government's approach to innovation.

Input to Towards 2016 Transitional Agreement

During 2008, the *Towards 2016* Review and Transitional Agreement reaffirmed the NCPP mandate to work with Government and the Social Partners on a range of issues. Section 4 of the Agreement, *The Management of Change and Innovation*, sets out the challenges for the NCPP including the development of standards and best practice in the management of change at enterprise level; the continued promotion of employee financial involvement to employees, management and trade unions; the initiation of the National Workplace Surveys; and the continued implementation of the Workplace Innovation Fund in co-operation with stakeholders including Enterprise Ireland and the Social Partners.

National Employment Surveys

During 2008, the NCPP worked with the Central Statistics Office to design a dedicated module for inclusion in the 2008 National Employment Survey. This module measures experiences of workplace change and innovation in a target sample of 95,000 employees and 10,800 enterprises in the public and private sector. Fieldwork commences in 2009, and the Report will be published by March 2010.

New Models of High Performance Work Systems

In January 2008, the NCPP and Equality Authority published *New Models of High Performance Work Systems: The Business Case for Strategic HRM, Partnership and Diversity and Equality Systems*. The study was launched by the Minister for Labour Affairs, Mr. Billy Kelleher, T.D.

The Report was compiled by the NCPP and the Equality Authority with a team of academics from Dublin City University, University of Limerick and Kansas University, led by Professor Patrick Flood of DCU Business School. It identified a range of measures, including strategic human resource management (staffing, training and development, performance management and remuneration, and communication and participation practices), partnership, diversity and equality strategies, and flexible working arrangements, that are associated with higher levels of business performance in terms of labour productivity, employee retention and innovation. The findings offer fresh empirical insights into how the effective management of people in companies can drive competitiveness.

Employment Dispute Resolution and Standard-setting in the Republic of Ireland

In June 2008, the Minister of State for Labour Affairs, Mr Billy Kelleher, TD, launched a report published by NCPP in conjunction with the Labour Relations Commission. The study on "Employment Dispute Resolution and Standard-setting in the Republic of Ireland", by Professor Paul Teague of Queens University Belfast and Dr. Damian Thomas of the NCPP, analyses the capacities and capabilities of Ireland's statutory dispute resolution bodies, including the Labour Relations Commission; Labour Court; Equality Tribunal; Employment Appeals Tribunal; The Labour Inspectorate / NERA and Health and Safety Authority, against a comparative examination of similar bodies in the UK, Canada and Sweden.

Line Management as a Resource for Change

In 2008 the NCPP initiated a research project in conjunction with the Chartered Institute of Personnel and Development (CIPD) entitled 'Line Management as a Resource for Change'. This project is designed to identify the role of line managers in workplace innovation and organisational change. It will provide managers, employees, workplace union representatives, social partner organisations and other stakeholders with 'actionable knowledge' and evidence-based recommendations on how to develop and support the role of line managers as agents for change. This project will conclude in Autumn 2009.

Education Sector – VEC National Partnership Forum

During 2008, the NCPP worked closely with the VEC National Partnership Forum in the development and implementation of the VEC Partnership Forum Business Plan. The work programme comprised a range of initiatives designed to build the capacity of the VEC sector to promote a culture of high performance through workplace innovation.

Workplace Innovation Fund

Under the terms of *Towards 2016*, the NCPP continued to work closely with Enterprise Ireland and the Department of Enterprise, Trade and Employment to implement and continuously develop the Workplace Innovation Fund (WIF). WIF funding is open to all Enterprise Ireland client companies. Examples of activities that may be supported under the Fund include:

- Building strategic capacity for change and developing management's vision for employee involvement and participation;
- Working in partnership and enhancing the capacity for change among employees;
- Building employee loyalty and commitment to a better workplace; and
- Introducing new HR processes to support the business.

During 2008, revised criteria were introduced to enable applications for WIF funding from large Enterprise Ireland eligible companies. Towards the latter part of the year the company minimum spend requirement was reduced from €25,000 to €12,500. In addition, an extensive programme of communications and dissemination was undertaken by the NCPP, in conjunction with Enterprise Ireland and the Social Partners, to promote the fund to eligible companies. By the end of December 2008, thirty-three companies from all over Ireland, representing sectors as diverse as medical devices and seafood, had been approved grant aid to an amount of just under €2 million.

Advocacy, Communications and Capacity-Building

National Workplace Strategy Public Awareness Campaign

Between May and July 2008, the NCPP implemented the final phase of the public awareness campaign for the National Workplace Strategy, using television, radio and online media. The objective of this final phase of the campaign was to build on the public awareness of the National Workplace Strategy created during the initial 2007 campaign, and to encourage active engagement with key issues.

Following the conclusion of the final phase of the Public Awareness Campaign, the NCPP commissioned Millward Brown IMS to measure levels of public awareness of the National Workplace Strategy and of the efficacy of the advertising activity which underpinned the broader Campaign. The research confirmed a positive evolution in public awareness of the Workplace Strategy over the course of the Campaign, from 35% prior to its launch in June 2007 to 44% in August 2008. Of those claiming awareness of the Strategy, 87% were able to correctly identify its main purpose, i.e. to promote workplace change and innovation through partnership and to improve the quality of working life.

NCPP Annual Partnership Conference

The theme of the 2008 Annual Partnership Conference, which took place at the Royal Hospital Kilmainham in Dublin on Thursday 26 June, was 'Participatory Leadership: Delivering a World-Class Public Service'. Set against the backdrop of the OECD's review of the Irish public service, the Conference was devoted to an in-depth examination of participatory leadership and its role in delivering an innovative, integrated and customer-centred public service.

The Conference, which was attended by 320 delegates, was opened by the Minister for Labour Affairs, Mr Billy Kelleher T.D. Delegates also heard from a range of national and international speakers with expertise and practical experience of leadership and/or partnership in the public service, including Philip Kelly, (Assistant Secretary, Department of the Taoiseach); Zoe Van Zwanenberg (CEO, Scottish Leadership Foundation); Art Daniels (Senior Consultant, Bearing Point Inc.); Julie O'Neill (Secretary General, Department of Transport); Michael McLoone (Manager, Donegal County Council); Peter McLoone (General Secretary, IMPACT) and Dr. Damian Thomas (Head of Partnership and Policy, NCPP).

National Workplace Strategy Masterclass 2008

The fourth in the NCPP's series of Masterclass events took place on 30 September 2008 at the Royal Hospital Kilmainham. The Masterclass, entitled "*3-D Thinking for Workplace Innovation*" was formally opened by Dr. Jimmy Devins, TD, Minister of State for Science, Technology and Innovation. 150 delegates were in attendance, drawn primarily from SMEs and also from public policy and workplace development agencies.

The Masterclass was designed around the key organisational challenges in engaging employees in the management of change and innovation. The Masterclass and Forum Theatre activities were led by Professor Peter Totterdill.

The keynote address, *Surfing the Wages of Change: Essentials for the Innovative Organisation*, was presented by Professor Michael West, Executive Dean, Aston Business School, UK. The Masterclass also included representatives of three Irish companies, Swift Fine Foods, Ovelle Pharmaceuticals and Richard Keenan and Company Ltd., who brought their experiences in improving innovation capabilities and productivity levels through partnership-based workplace innovation.

Learning at Work Seminar

In May 2008, the NCPP and the National College of Ireland hosted a one-day seminar on the subject of 'Learning at Work: Practical Responses to the Future Skills Challenge'. Policy makers and practitioners with responsibility for the development of people in the workplace, including HR managers, training professionals, learning and development managers, and trade union representatives were in attendance to hear inputs from expert speakers and case study presenters on organising learning opportunities in the workplace; examples from public and private-sector workplace initiatives; and the latest approaches to e-learning and blended learning in the workplace.

Regional Seminars on Information and Consultation

In July 2008 the ICTU, with the support of the Workplace Innovation Fund Strand II, published *The Employees (Provision of Information and Consultation) Act: A Guide to the new information and consultation processes for unions*. This publication was the product of a series of regional seminars on Information and Consultation that were jointly organised by the ICTU and the NCPP during 2007.

Chamber of Commerce Ireland Equality and Diversity Seminars

During 2008, the NCPP participated in a series of regional HR seminars entitled *Tipping the Balance – The Business Case for Diversity*. The aim of the seminar series, held in Kilkenny, Cobh, Drogheda, Tullamore and Castlebar, was to make the business case for promoting equality and diversity in the workplace and highlight the benefits of well designed equality and diversity policies in relation to production and successful business.

Capacity-Building through Advocacy and Outreach

During 2008, the NCPP continued its programme of capacity-building through extensive outreach and engagement of organisations across the public and private sectors. The NCPP Executive worked with a range of organisations both directly and through enterprise-led or sectoral networks. In addition, the NCPP engaged with a significant numbers of organisations from the private and public sectors and through its organisation of and involvement in a series of national and international conferences. The focus of this engagement was on communicating the policy and research work of the Centre and making available the range of NCPP resource materials. An illustrative selection of the NCPP's engagements during 2008 is outlined below:

- January 2008: Scottish TUC ‘Partnership and Workplace Innovation’ seminar: Scottish Parliament, Presentation by Dr Damian Thomas, Head of Policy and Partnership;
- February 2008: IBEC HR & Social Policy Committee, Presentation by Cathal O’Regan, Head of Workplace Strategy;
- February – April 2008: Local Authority National Partnership Advisory Group, Regional Meetings;
- March 2008: IRN Annual Conference: ‘After the Goldrush’, Chaired by Lucy Fallon-Byrne, Director, NCPP;
- April 2008: IMI National Management Conference, address by Lucy Fallon-Byrne, Director, NCPP;
- April 2008: ICTU ‘Globalisation and Irish Workers’ conference, Chaired by Lucy Fallon-Byrne, Director, NCPP;
- May 2008: Mediators’ Institute of Ireland (MII) symposium. Keynote Presentation by Lucy Fallon-Byrne, Director, NCPP;
- May 2008: BATU 20th Anniversary Conference, Presentation by Dr Damian Thomas, Head of Policy and Partnership;
- June 2008: NCPP Annual Conference: ‘Participatory Leadership: Delivering A World-Class Public Service’;
- June 2008: Labour Relations Commission / NCPP Book Launch: ‘*Employment Dispute Resolution and Standard Setting*’, Presentation by Dr Damian Thomas, Head of Policy and Partnership;
- September 2008: IBEC Regional Executive Committee Meeting, Presentation by Edna Jordan, Head of Workplace Learning and Development;
- September 2008: Irish Software Association (IBEC): HR Circle Meeting, Presentation by Conor Leeson, Head of Communications;
- Ongoing, 2008: EU Work-In-Net (Work Innovation Network);
- October 2008: European Trade Union Institute Seminar “*Social Pacts in the EU*”, Presentation by Dr Damian Thomas, Head of Policy and Partnership;
- October 2008: Chambers Ireland: Workplace Diversity Conference. Presentation by Lucy Fallon-Byrne, Director, NCPP;
- November 2008: Small Firms Association/NCPP: Joint seminar on Workplace Innovation, Presentation by Edna Jordan, Head of Workplace Learning and Development;
- November 2008: Irish Pro-Share Association: EFI in a challenging Economic Environment Annual Conference. Presentation by Lucy Fallon-Byrne, Director, NCPP;

- November 2008: CIPD Western Region: Building Competitive Organisations Conference, Presentation by Lucy Fallon-Byrne, Director, NCPP; and
- December 2008: UK Work Organisation Network (UKWON): The Future of Employment Relations Conference, London, Presentation by Lucy Fallon-Byrne, Director, NCPP.

NCPP Council Meetings and Key Events in 2008

- NCPP / Equality Authority publication launch, *New Models of High Performance Work Systems* Report, 7th January 2008;
- NCPP Council Meeting, 17th January 2008;
- NCPP Council Meeting, 22nd May 2008;
- National Workplace Strategy High Level Implementation Group meeting, 16th May 2008;
- NCPP / Labour Relations Commission Book Launch: *'Employment Dispute Resolution and Standard Setting'*, 24th June 2008;
- NCPP Annual Conference: 'Participatory Leadership: Delivering A World-Class Public Service', 26th June 2008;
- NCPP Council Meeting, 17th July 2008;
- NCPP National Workplace Strategy Masterclass: Improving Performance through Workplace Innovation, 30th September 2008; and
- NCPP Council Meeting, 20th November 2008.



6. NESDO Accounting Policies

Historical Cost Convention

The Financial Statements are prepared on an accruals basis under the historical cost convention in accordance with generally accepted accounting principles except where otherwise stated.

Income Recognition

Grant In-Aid received from the Department of the Taoiseach is recognised in the Financial Statements on a cash receipts basis. Income from sale of publications and Conference Income is recognised when it is invoiced. If it becomes apparent that the monies may not be received, a provision is made for doubtful debts. NESDO enters into co-funding projects with other organisations that may last greater than one year. This income is recognised on a cash receipts basis.

Foreign Currencies

Transactions in currencies other than Euro are recorded at the rates ruling at the date of the transactions or at a contracted date. Monetary assets and liabilities are translated into Euro at the balance sheet date or at a contracted date. Exchange differences are dealt with in the Statement of Income and Expenditure Account.

Tangible Assets

Tangible Assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of tangible assets to their estimated residual values over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows: Furniture: 10 years; Equipment: 5 years.

Superannuation

At present the superannuation scheme for NESDO is in the process of being approved by the Taoiseach with the consent of the Minister for Finance.

Six staff members are on secondment from other Government Departments. The relevant Government Departments invoice NESDO in respect of Salary, Employer PRSI and superannuation. These invoices are accrued on a monthly basis and charged to the Statement of Income and Expenditure. The relevant Department takes responsibility for the payroll and superannuation function concerning these staff.



7. NESDO Financial Statement

Financial Statements for the year ended
31 December 2008*

*NOTE

The Financial Statement for the year ended 31 December 2008 has not yet been audited.

The Statement of Income and Expenditure includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Statement of Income and Expenditure

	Note	2008 €	2007 €
Income			
Oireachtas Grant-in-Aid	1	5,371,173	5,809,000
Other Income	2	90,320	98,463
		5,461,493	5,907,463
Transfer from/(to) Capital Account	10	(94,912)	(36,241)
		5,366,581	5,871,222
Expenditure			
Wages and Salaries	3	2,363,562	2,208,865
Other Operating Costs	4	2,903,591	3,392,156
Depreciation	5	44,336	32,158
		5,311,489	5,633,179
Surplus for the year		55,092,	238,043
Balances transferred at 1 January 2008		823,434	585,391
Balance carried forward	8	878,526	823,434

Balance Sheet as at 31 December 2008

	Note	2008 €	2007 €
Tangible Assets	5	156,676	61,764
Current Assets:			
Debtors and Prepayments	6	28,275	19,274
Bank Balance and Cash	9	1,208,024	1,203,150
		1,236,299	1,222,424
Current Liabilities:			
Creditors and Accruals	7	357,773	398,990
Net Current Assets / (Liabilities)		878,526	823,434
Total Net Assets		1,019,702	885,198
Financed By:			
Capital Account	10	156,676	61,764
Income and Expenditure Account	8	878,526	823,434
		1,035,202	885,198

Cash Flow Statement

	Note	2008 €	2007 €
<i>Reconciliation of surplus to net cash inflow from operating activities</i>			
Surplus for the Year		55,092	238,043
Depreciation Charge		44,336	32,158
(Increase)/Decrease in Debtors		(9,001)	108,395
Increase/(Decrease) in Creditors		(41,217)	(56,391)
<i>Net Cash Inflow from Operating Activities</i>		49,210	322,205
Cash flow Statement			
<i>Net Cash Inflow from operating activities</i>		49,210	322,20
Capital Expenditure	10	(139,248)	(68,399)
Increase/(Decrease) in Capital Account		94,912	36,241
Increase/(Decrease) in Cash in the year		4,874	290,047
Reconciliation of net cash flow to movement in net funds (Note 9)			
Increase/(Decrease) in Cash in the year		4,874	290,047
Net Funds at 1 January 2008		1,203,150	913,103
Net Funds at 31 January 2008		1,208,024	1,203,150

Notes to the Financial Statements For the year ended 31 December 2008

	2008 €	2007 €
1 Oireachtas Grant Income Drawdown		
Oireachtas Grant Income drawdown	5,371,173	5,809,000
2 Other Income		
Co-Funding Income	66,365	61,783
Conference Income	13,260	14,850
Sales of Publications	2,670	9,303
Bank Interest	7,356	3,470
Sundry Income	669	9,057
	90,320	98,463
3 Wages and Salaries		
Wages and Salaries	2,181,925	2,049,771
Social Welfare Costs	181,637	159,094
	2,363,562	2,208,865
The average number of employees during the year were:	30	24
<p>The Board members, Mr. Peter Cassells and Ms. Maureen Gaffney received €85,346 and €104,966 respectively as remuneration for the year ended 31 December 2008. The above remunerations are in accordance with the National Economic and Social Developments Act, The chair of the Board, Mr. Dermot McCarthy, did not receive any remuneration in this period.</p>		
4 Other Operating Costs		
Consultancy Fees	562,329	547,874
Printing and Publications	267,103	194,793
Travel and Subsistence	99,075	73,961
Conferences and Seminars	286,677	254,473
Recruitment Costs	45,003	3,976
Training	76,391	93,491
Post, Taxis and Couriers	56,086	67,176
Library Services	56,646	47,794
Advertising and Public Relations	469,529	1,100,383
Administration	5,519	17,498
Professional Fees	81,659	141,042
Telephone	62,389	31,382
Stationery	78,107	29,037
IT (Maintenance Contracts)	88,217	160,089
Rent and Service Charges	668,861	629,187
	2,903,591	3,392,156

Notes to the Financial Statements For the year ended 31 December 2008

Continued

	Equipment €	Furniture €	Total €
5 Tangible Assets			
Cost			
Balance at 1 January 2008	224,619	68,423	293,042
Additions	122,003	17,245	139,248
Balance at 31 December 2008	346,622	85,668	432,290
Depreciation			
Balance at 1 January 2008	183,897	47,381	231,278
Charge for year	35,155	9,181	44,336
Balance at 31 December 2008	219,052	56,562	275,614
Net Book Value			
At 31 December 2007	40,722	21,042	61,764
At 31 December 2008	127,570	29,106	156,676
		2008	2007
		€	€
6 Debtors			
Sundry Debtors		28,275	19,274
7 Creditors			
Trade Creditors		51,335	115,775
Accruals		212,611	163,024
Revenue		93,827	120,191
		357,773	398,990
8 Income and Expenditure Reserves (Surplus/(Deficit))			
<i>The Income and Expenditure Reserve disclosed in the Balance Sheet comprises the following:</i>			
Balances transferred at 1 January		823,434	585,391
Surplus / (Deficit) for year		55,092	238,043
Balance at 31 December		878,526	823,434

Notes to the Financial Statements For the year ended 31 December 2008

Continued

	2008	2007
	€	€
9 Cash and Bank Balances		
Current Account Balances	117,179	100,120
Deposit Account Balances	957,402	1,051,085
Cash on Hand	331	242
Other Accounts	133,112	51,703
	1,208,024	1,203,150
10 Capital Account		
Balances transferred at 1 January	61,764	25,523
<i>Transfer to Income and Expenditure</i>		
Income used to purchase Fixed Assets	139,248	68,399
Amortization in line with depreciation	(44,336)	(32,158)
	94,912	36,241
Balance at 31 December	156,676	61,764
11 Other Operating Costs		
Surplus for the year was calculated having charged:		
Auditor's Remuneration	6,200	6,200

12 Approval of Financial Statements

The Financial Statements were approved by the Board of NESDO on 29 June, 2009.

Appendix 1 NESDO Board Membership

- Mr Dermot McCarthy, Department of the Taoiseach (Chairperson)
- Ms Mary Doyle, Department of the Taoiseach
- Mr Philip Kelly, Department of the Taoiseach
- Dr Maureen Gaffney, Chairperson, NESF
- Mr Peter Cassells, Chairperson, NCPP

Chief Officer NESDO, Dr Rory O'Donnell

Appendix 2 NESC Council Membership

The membership of the Council for 2007–2010 was nominated as follows:

- Mr Dermot McCarthy (Chairperson)
- Ms Mary Doyle (Deputy Chairperson)

5 members from Business and Employers

- Mr Turlough O'Sullivan, Director General, IBEC
- Mr Danny McCoy, Director of Policy, IBEC
- Ms Aileen O'Donoghue, Director, IBEC, replaced by Ms. Siobhan Masterson in 2008
- Mr Liam Kelleher, Director General, Construction Industry Federation, replaced by Mr. Tom Parlon in 2008
- Mr John Dunne, Chief Executive, Chambers Ireland

Alternates:

- Mr Tony Donohoe, Head of Research, IBEC
- Mr Fergal O'Brien, Senior Economist, IBEC
- M. Brendan Butler, Director of Strategy, Trade, EU & International Affairs, IBEC

5 members from Farming and Agricultural:

- Mr Eddie Punch, General Secretary, ICOSA
- Mr Seamus O'Donohoe, Secretary, ICOS
- Mr Ciaran Dolan, General Secretary, ICMSA
- Mr Michael Berkery, General Secretary, IFA
- Mr Colm Markey, National President, Macra na Féirme

Alternates:

- Mr Malcolm Thompson, President, ICOSA
- Mr John Tyrrell, Director General, ICOS
- Mr Derry Dillon, Agricultural Policy Officer, Macra na Féirme

5 members from Community and Voluntary:

- Fr Seán Healy, CORI
- Mr Seamus Boland, Irish Rural Link
- Mr John Dolan, Disability Federation of Ireland
- Ms Brid O'Brien, Irish National Organisation of the Unemployed
- Ms Camille Loftus, Community Platform

Alternates:

- Mr James Doorley, National Youth Council of Ireland
- Ms Orla O'Connor, National Women's Council of Ireland
- Ms Karen Murphy, Irish Council for Social Housing
- Ms Deirdre Garvey, The Wheel
- Mr Liam O'Dwyer, Children's Rights Alliance

5 members from Trade Unions:

- Mr Peter McLoone, General Secretary, IMPACT
- Mr David Begg, General Secretary, ICTU
- Ms Sally Anne Kinahan, Assistant General Secretary, ICTU
- Mr Jack O'Connor, General President, SIPTU
- Mr Manus O'Riordan, Economist, SIPTU

Alternates:

- Mr Brendan Hayes, Vice President, SIPTU
- Ms Esther Lynch, Legislative & Social Affairs Officer, ICTU

5 members nominated by An Taoiseach

- Dr Seán Barrett, TCD
- Mr Con Lucey, IFA
- Prof Peter Clinch, UCD, membership ceased in 2008, yet to be replaced.
- Prof Elizabeth Meehan, Queen's University

Secretaries General:

- Mr David Doyle, Department of Finance
- Mr Sean Gorman, Department of Enterprise, Trade and Employment
- Ms Bernadette Lacey, Department of Social and Family Affairs
- Ms Geraldine Tallon, Department of Environment, Heritage and Local Government
- Ms. Brigid McManus, Department of Education and Science

Alternates for Dept of Finance:

- Mr Michael McGrath
- Mr John O'Connell

Director NESD, Dr Rory O'Donnell

Appendix 3 NESF Membership

- Dr Maureen Gaffney (Chairperson)
- Ms Mary Doyle (Deputy Chairperson)

Strand 1: Oireachtas

Fianna Fáil:

- Deputy Michael McGrath TD
- Deputy Cyprian Brady TD
- Deputy Seán Ardagh TD
- Senator Brian Ó Domhnaill
- Senator Geraldine Feeney
- Senator Marc McSharry
- Senator Maria Corrigan

Fine Gael:

- Deputy Dan Neville TD
- Deputy Terence Flanagan TD
- Senator Paul Coghlan
- Senator Jerry Buttimer

Labour

- Deputy Seán Sherlock TD
- Deputy Willie Penrose T.D.

Green Party:

- Senator Dan Boyle

Independents:

- Senator Ronan Mullen

Strand 2: Employer/Trade Unions/Farm Organisations

Employer/Business Organisations:

- Mr Danny McCoy, IBEC
- Mr Tony Donohoe, IBEC
- Ms Patricia Callan, Small Firms Association
- Dr Peter Stafford, CIF
- Mr Seán Murphy, Chambers of Commerce/Tourist Industry /Exporters Association

Trade Unions:

- Mr Eamon Devoy, TEEU
- Mr Blair Horan, CPSU
- Mr Jerry Shanahan, AMICUS

- Mr Manus O’Riordan, SIPTU
- Ms Esther Lynch ICTU

Agricultural/Farming Organisations:

- Mr Michael Berkery, IFA
- Mr Michael Doody, ICMSA
- Ms Emer Duffy, ICOS
- Mr Michael Gowing, Macra na Feirme
- Ms Carmel Dawson, Irish Country Women’s Association:

Strand 3: Community and Voluntary Sector

Gender:

- Ms Órla O’Connor, National Women’s Council of Ireland

Housing:

- Ms Karen Murphy, Irish Council for Social Housing

Labour Market:

- Ms Sylvia Ryan, National Congress Centres Network

Social Analysis:

- Sr Brigid Reynolds SM, CORI

Poverty:

- Mr John-Mark McCafferty, Society of St Vincent de Paul

Youth/Children:

- Ms Marie Claire McAleer, NYCI
- Ms Jillian van Turnhout, Children’s Rights Alliance

Older People:

- Ms Maireád Hayes, Senior Citizen’s Parliament/Age Action

Disability/Carers:

- Ms Joanne McCarthy, Disability Federation of Ireland
- Mr Frank Goodwin, The Carers Association

Rural/Local Strand:

- Mr Séamus Boland, Irish Rural Link

Voluntary/Networks:

- Ms Frances Byrne, Community Platform
- Mr Ivan Cooper, The Wheel

Others

- Ms Maria Joyce, National Traveller Women’s Forum
- Mr Stavros Stavrou, Integrating Ireland

Strand 4: Central Government, Local Government and Independents

Central Government:

- Secretary-General, Department of Finance
- Secretary-General, Department of Enterprise, Trade and Employment
- Secretary-General, Department of Social and Family Affairs
- Secretary-General, Department of Community, Rural & Gaeltacht Affairs
- Secretary-General, Dept of the Environment, Heritage & Local Government

Local Government:

General Council of County Councils:

- Cllr Ger Barron
- Cllr Constance Hanniffy
- Cllr Mattie Ryan

Association of Municipal Authorities:

- Cllr Paddy O'Callaghan

Local Authority Members Association:

- Cllr William Ireland

Independents:

- Prof Colm Harmon, UCD Geary Institute
- Prof Mary P. Corcoran, NUI Maynooth
- Ms Marie Carroll, South Side Partnership
- Prof Rose Ann Kenny, Trinity College Dublin

Director NESF, Mr Seán Ó hÉigearthaigh

Appendix 4 NCPP Council Membership

- Mr Peter Cassells (Chairperson)

Government Departments:

- Mr Philip Kelly, (Deputy Chairperson), Department of the Taoiseach
- Mr Brendan Duffy, Department of Finance
- Mr Dermot Curran, Department of Enterprise, Trade & Employment

Employers:

- Mr Brendan McGinty, IBEC
- Ms Mary Connaughton, IBEC
- Mr Eddie Keenan, CIF
- Ms Irene Canavan, IBEC

Unions

- Mr Fergus Whelan, ICTU
- Mr Jerry Shanahan, AMICUS
- Ms Catherine Byrne, ICTU
- Mr Gerry McCormack, SIPTU

Independents

- Prof Joyce O'Connor, Digital Hub Development Agency
- Dr Catherine Kavanagh, UCC
- Ms Dorothy Butler Scally, Littlemore

Director NCPP, Ms Lucy Fallon Byrne