Ms Éilis Fallon
Committee of Public Accounts
Dáil Éireann
Leinster House
Kildare Street
Dublin 2

Dear Éilis

Re: Your letter of 13th November regarding Pálás Cinema Project

I refer to correspondence from the Committee concerning matters raised with this Department in relation to the Post Project Review of the Pálás Cinema Project as conducted by the Department of Culture, Heritage and the Gaeltacht and included in your letter of November 13th. I note that the Chairman of the Public Accounts Committee has indicated (in the transcript of Thursday, 7th November) that the Committee will write to the Secretary General of the Department of Culture, Heritage and the Gaeltacht, in the first instance, in relation to the recommendations contained in the Post Project Review.

As requested, I am responding directly to the Committee concerning matters raised with this Department in relation to the role of IGEES (Irish Government Economic and Evaluation Service), post project reviews and the public spending code and hope that the information provided will be of assistance to the Committee.

1) Request a note on the Irish Government Economic and Evaluation service (IGEES)

The Irish Government Economic and Evaluation service (IGEES) established in 2012, is an integrated, cross Government service that aims to support better policy formulation and implementation in the civil service through policy analysis and evaluation. IGEES is not a standalone service. IGEES staff are an integral part of each Department, adding their skill set to the varied expertise working on policy analysis and formulation as directed by Departmental business plans. The IGEES network consists of civil servants working in policy analysis and evaluation prior to the establishment of IGEES, as well as those newly recruited through the IGEES stream. There is an IGEES presence in all Government Departments and the
Revenue Commissioners with around 200 analysts across the civil service. A briefing note providing more detail on the role of IGEES is attached.

2) Recommendation that the spending codes include a requirement for every post project review to have a section outlining the key learnings for the public service. It is suggested that an appropriate way of communicating such learnings to all public bodies be explored.

This recommendation is being addressed in the forthcoming update to the Public Spending Code A Guide to Evaluating, Planning, and Managing Public Investment which is due to be published shortly subject to Government consideration and approval. The updated Public Spending Code strengthens the requirements for project completion reports (formerly post project reviews) and ex-post evaluations. It sets out roles and responsibilities for disseminating lessons learned through publication, dissemination, and incorporation into sectoral and national guidance as appropriate. It requires each Approving Authority (formerly the Sanctioning Authority) to build up a baseline of data from project completion reports and ex-post evaluations to inform profiling for similar projects and recommends that Approving Authorities host a library of project completion and ex-post evaluation reports with their sector specific guidance.

A briefing note providing more detail on the current Public Spending Code requirements and the strengthened requirements in the draft updated Public Spending Code is attached. The next phase of the update of the Public Spending Code will explore the options for effectively communicating relevant learnings for the public service from project completion reports and ex-post evaluations.

I hope this information is of assistance to the Committee.

Yours sincerely

Robert Watt
Secretary General
Briefing Note on the Irish Government Economic and Evaluation Service (IGEES)

What is IGEES?

The Irish Government Economic and Evaluation Service (IGEES), an initiative introduced by the Department of Public Expenditure and Reform (DPER), was established in 2012. It is an integrated cross-Government service that supports better policy formulation and implementation in the Civil Service through data and policy analysis.

IGEES is overseen by the Policy Oversight Group which is chaired by the Secretary General from DPER and has representatives, at Secretary General level, from the Department of Finance and one rotating post, currently held by the Department of Housing, Planning and Local Government. The CSO is also represented on the group. The implementation of the IGEES Strategy and IGEES corporate support is the responsibility of the Head of IGEES (PO level in DPER). The IGEES Medium Term Strategy 2016-19 is available on the IGEES website.

Capacity building

IGEES capacity within the Civil Service has been, and continues to be supported, through recruitment and learning and development.

Since 2012, IGEES has run regular recruitment campaigns at Administrative Officer and Assistant Principal level, with almost 140 persons recruited to date. Where possible, capacity building has involved adding to existing Civil Service analytical resources. Combined, IGEES recruits and the existing Departmental resources amount to over 200 analysts. These analytical staff are spread across Government Departments with IGEES presence in all Government Departments and the Revenue Commissioners.

IGEES provides a range of training opportunities to both IGEES staff and colleagues in policy roles. IGEES staff provide training on ‘Evidence-Based Policy-Making’ to new Administrative Officer recruits via the Civil Servant Graduate Development Programme and also offer Business Case Training and IGEES Induction training. In the area of policy and project appraisal IGEES offers training on the main frameworks used in these types of analysis (e.g. Cost Benefit Analysis, Multi Criteria Analysis and Regulatory Impact Assessment). Technical training on some of the main statistical programming packages available to Government analysts (e.g. Stata and R) are also made available by IGEES. Training opportunities offered through IGEES are frequently reviewed and updated.

What work do IGEES analysts do?

IGEES policy analysts have been using their skills and the increasing amounts of available data to produce analytical output across a wide range of policy areas. The work of IGEES feeds into the policy-making process across almost all areas of policy through numerous platforms including; Spending Review Publications, Evaluations, Value for Money Reviews, the Public Spending Code, Focused Policy and Social Impact Assessments, Policy Appraisal and Statements of Strategy. An important body of IGEES work constitutes small, discrete analytical projects, models, statistical programming code etc., which is not visible in the stock of published IGEES output, but is an important input into policy
deliberations at Departmental level. Since its inception, IGEES analysts have published over 200 analytical papers across almost all policy areas.

How is IGEES work disseminated?

A significant body of this work is published on the IGEES website. IGEES work is also presented at regular IGEES events including monthly IGEES Strategic Policy Discussion Seminars and IGEES Conferences. These events provide a platform for IGEES work to be presented and discussed, as well as for facilitating broader policy discussion on topical issues. IGEES analysts have also presented their work at external events, including conferences and seminars hosted by the Irish Economic Association (IEA), Dublin Economic Workshop (DEW), Nevin Economic Research Institute (NERI), Statistical and Social Inquiry Society of Ireland (SSISI), Foundation for Fiscal Studies (FFS), Irish Fiscal Advisory Council (IFAC), Parliamentary Budget Office, and the Department of Foreign Affairs and Trade (DFAT) Evaluation Seminars IGEES also has strong links with academia facilitated through an External Advisory Group which consists of representatives from Universities, The Economic and Social Research Institute (ESRI), IFAC and NERI.
Briefing Note on the Current and Updated Requirements for Post Project Reviews in the Public Spending Code

Current Public Spending Code Requirements

- The requirements set out in the Public Spending Code are in place to support public bodies in achieving value for money as they implement all projects, including major projects, through the course of the project's lifecycle.

- Each project works through a lifecycle from project identification, appraisal/business case, planning & design, procurement, implementation to review. The project is assessed by the Sponsoring Agency, i.e. the body delivering the project, throughout to ensure it represents value for money.

- At key designated stages in that lifecycle, the body funding the project i.e. the Sanctioning Authority, usually the relevant Government Department, is responsible for approving whether or not the project can move to the next stage of the lifecycle. That approval is contingent upon an assessment of whether or not the project represents value for money.

- The Public Spending Code requires a post project review to be carried out on capital projects with a cost greater than €20m. At least 5% of other capital projects should be reviewed while capital grant schemes with an annual value in excess of €30 million should be subject to prior and mid-term evaluation during each five year cycle. The Public Spending Code states that Departments and Agencies should not restrict themselves to the mandatory evaluation or post project review requirements.

- The Department of Public Expenditure and Reform Circular 06/2018 responding to a recommendation from the Comptroller & Auditor General in its 2016 Annual Report implemented the requirement for publication of post project reviews for all public investment projects, including PPPs.

- The purpose of the post project review is to see if the benefits of the project were realised. The aim of the review is to determine whether:
  - the basis on which the project was undertaken proved correct,
  - the expected benefits and outcomes materialised;
  - the planned outcomes were the appropriate responses to actual public needs,
  - the business case and management procedures were satisfactory, and
  - conclusions can be drawn which are applicable to other projects, to the ongoing use of the asset, or to associated policies.

- As with all parts of the Public Spending Code, any significant lessons should be translated into changes in the Sponsoring Agency’s practices and communicated within the organisation and to the Sanctioning Authority so that it can communicate any general lessons learned to inform the Public Spending Code.
Updated Public Spending Code Requirements

- The Department of Public Expenditure and Reform has undertaken extensive work on the update the Public Spending Code. The purpose of this update is to strengthen the existing guidance to better align with the realities of project delivery and with a particular focus on improved appraisal, cost estimation and management. The revised central elements of the Public Spending Code relating to the appraisal and management of public capital projects will be published in the near future following consideration and approval by Government. Further technical guidance building upon these central elements will follow in 2020.

- **Each project will work through a revised lifecycle** from strategic assessment, preliminary business case, detailed project brief, tender, final business case, implementation, review to ex-post evaluation. The update of the Public Spending Code strengthens the existing requirements for post project reviews. It requires the Sponsoring Agency to complete a Project Completion Report (formerly a post project review) for all projects to determine whether:
  
  o the basis on which the project was undertaken proved correct,
  o the business case and management procedures were satisfactory,
  o the operational performance and initial benefits have been realised: and
  o conclusions can be drawn which are applicable to other projects, to the ongoing use of the asset, or to associated policies.

- The Project Completion Report must be submitted to the Approving Authority (formerly the Sanctioning Authority) for review, dissemination including publication, and to incorporate lessons learned into sectoral guidance. The Approving Authority will be required to submit the Project Completion Reports for projects estimated to cover over €50 million to the Department of Public Expenditure and Reform for dissemination and that the lessons learned will be incorporated into the Public Spending Code as appropriate.

- The purpose of the Project Completion Report is to determine if a project was delivered in line with its intended scope and budget and in line with the Public Spending Code. It is conducted as a project is completing to allow the reviewer access to the feedback from the contractor and the project team. For capital projects, the majority of benefits will not be seen until sometime after the project is complete. The purpose of the ex-post evaluation is to determine if the intended benefits and outcomes materialised and to judge the impact of the project.

- The updated Public Spending Code requires that an ex-post evaluation is conducted on all capital projects with a cost of more than €10 million with ex-post evaluations to be conducted on a representative sample of projects costing less than €10 million. The Sponsoring Agency should conduct the ex-post evaluation to determine:
  
  o Whether the outcomes, operational performance and benefits as identified were achieved;
  o How effective was the benefits management process;
  o If the benefits management process was proportionate to the size and scale of the project;
  o How accurate were the benefits models and assumptions;
  o If the management of risk had an impact on expected benefits and outcomes;
  o What the medium to long term impacts were on intended beneficiaries; and
  o Lessons learned for other projects, sectoral and national guidance.
• Similarly to the Project Completion Report, the Ex-Post Evaluation Report must be submitted to the Approving Authority for review, dissemination including publication, and to incorporate lessons learned into sectoral guidance. The Approving Authority will be required to submit the Ex-Post Evaluation Reports for projects estimated to cover over €50 million to the Department of Public Expenditure and Reform for dissemination and that the lessons learned will be incorporated into the Public Spending Code as appropriate.

• Each Approving Authority is required to build up a baseline of data from project completion reports and ex-post evaluations to inform profiling for similar projects and the Public Spending Code recommends that Approving Authorities host a library of project completion and ex-post evaluation reports with their sector specific guidance as a way of disseminating best practice.