



February 2021

Mr. Paul Ng
Clerk of the Committee on Budgetary Oversight,
Leinster House,
Kildare St.,
Dublin 2.
D02 XR20

Re: Dáil Order Consultation with Committees

Dear Mr. Ng,

I refer to the letter of 15th January 2021 from the Chair of the Committee on Budgetary Oversight to Minister Ryan T.D. seeking this Department's response to a series of questions relating to work being undertaken by the Committee on the framework for parliamentary engagement in the budgetary cycle.

The Department welcomes the opportunity afforded by the Committee and believes that recent reforms to the overall budgetary framework, including the introduction of Performance and Equality Budgeting in the Revised Estimates and the Spending Review process support greater transparency and the identification of metrics of performance, equality and wellbeing that are most useful to parliamentary accountability.

The Department also believes that exploiting the existing reporting structure, with the Committee on Budgetary Oversight engaging with the Department of Public Expenditure and Reform on the overall framework and Departments engaging with the relevant Select Committees can facilitate streamlined, meaningful and enhanced engagement across the budgetary cycle and avoid unnecessary duplication.

Support and Briefing

1. What is the capacity of your Department to provide more detailed briefing, incorporating the principles of performance budgeting, to the relevant Oireachtas committee?
2. Would it be possible to provide more information with regard to outputs, outcome, targets and the rationale/demonstrable need of said targets to Oireachtas committees?

In relation to Questions 1 and 2, the Department could provide additional performance budgeting information, including information on outputs, outcome, targets and the rationale for these targets, to aid the Select Committee's consideration of the Department's annual estimates. The Department believes that a standardised approach to performance



information for use by the committees would be useful to guard against unnecessary duplication of existing output and equality budgeting information already available in the Revised Estimates Volume (REV).

Estimates

3. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly.

- Would you and your department the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

Recent reforms to the overall budgetary framework, including the introduction of Performance and Equality Budgeting, the Mid-year Expenditure Report and Spending Reviews are designed to provide increased transparency regarding the effectiveness and efficiency of public spending and should help support more regular scrutiny by Committees. In addition, the Department of Public Expenditure and Reform engages with Departments on an ongoing basis to improve and refine information included in the Revised Estimates. Notwithstanding the above, the Department believes that the benefits and disadvantages of quarterly reporting should be considered carefully especially for longer term projects where there can be little development within such a short timeframe. Committee schedules/timing and Ministerial availability may also be an issue with Committees considering financial and performance data on a quarterly basis.

- Would you and your department be happy to oblige the Committee in this regard and provide the required level of support and briefing?

The Department would be pleased to provide the Committee with additional briefing as required, however it should be noted that final outturn information relating to the Department's programmes and schemes is generally not fully available until well after year end.

4. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Were committees to consider the Estimates at an earlier point in the year, would there be any implications for your department?

The main implication to the Estimates being considered at an earlier point in the year is that it may require more fundamental changes to the financial calendar. In particular, the Revised Estimates are not finalised and published until just prior to Christmas each year, leaving very



little time for detailed briefing and consideration by Committees of the Estimates for all Government Departments and Offices by end January.

Pre-Budget Scrutiny

5. Would you and your department welcome the opportunity to engage with Oireachtas committees in advance of the budget to discuss key budget priorities?

The Department would welcome the opportunity to engage with its sectoral Committees on key budget priorities. In particular, the Mid-Year Expenditure Report, which is generally published before the summer recess, provides a basis for discussion of in-year expenditure pressures well in advance of the Budget.

6. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Would you and your department be happy to work with the relevant committee towards developing costed policy proposals that address these challenges?

7. From your perspective, what would be the potential constraints/drawbacks/pitfalls associated with working with the relevant committee during the budget formation process

The proposal that sectoral Committees recommend specific budgetary measures that address specific public policy challenges needs to be considered in the context of Programme for Government commitments, the National Development Plan and the overall fiscal framework. It would be useful to know more about this proposal and specially, how these public policy challenges will be identified and how they will feed into the annual budgetary process. This will enable the Department to comment fully and to better understand how it could work with the relevant Committees.

Please do not hesitate to contact me should you require any clarification on the foregoing.

Yours sincerely,

Patricia Cronin

Patricia Cronin
Corporate Affairs and Strategic Development