

Department of Public Expenditure, NDP Delivery and Reform

Opening Statement to Budget Oversight Committee, 28th June 2023

I thank the Chair for the invitation to appear before the Committee and the opportunity to discuss the Public Service Performance Report 2022 and to answer any questions the Committee may have in relation to Performance Budgeting and its role within the overall expenditure framework.

This is the seventh edition of the Performance Report, with the first report published in 2017.

As previously recommended by this Committee, public financial performance should be assessed through the principles of performance budgeting, focusing on what is being delivered with resources and how this aligns with the Programme for Government and departmental statements of strategy.

The purpose of the Performance report is to increase transparency and accountability and ensure every citizen can see clearly how public funds are being utilised. The information is deliberately presented in a clear and accessible way to ensure that everyone, not just those with financial expertise, can fully understand how public money is being used.

The report builds on the existing elements of the Performance Based Budgeting initiative and creates a space in the budget process for examination of how Departments performed in relation to the delivery of outputs and achievement of targets. While performance information is provided alongside financial information in the Revised Estimates Volume (REV) in December, outturn information for the current year cannot be provided due to the timing of REV publication. This means that Committees may not have the relevant information to allow them to assess performance for the most recent year in a timely fashion.

The Performance Report addresses this by providing timely quantitative information on what was delivered with public funds in the previous year. This creates an opportunity for meaningful dialogue between Ministers and the relevant sectoral Committees on Government performance. The information provided in the report will assist the relevant sectoral Committees in tracking progress in relation to the outputs and outcomes of key governmental strategies.

The Committee's 2021 Final Report on the framework for Parliamentary Engagement, proposed that Sectoral Committees meet to consider the chapters of the Performance Report relevant to their areas of oversight. The Performance Report is designed to support such an enhanced focus on performance and delivery by Committees. Relevant performance indicators are presented in a dedicated, focused document in an accessible manner. This approach seeks to enable sectoral Committees to make best use of the time available for reviewing performance and achievement by Departments and agencies.

Structure & Purpose of the Public Service Performance Report

The overall purpose of the Public Service Performance Report is therefore to increase the level of transparency and accountability about the use of public funds, and to help strengthen the link between funding allocations made in the budget, the delivery of public services, and ultimately, improvements in the societal outcomes that these services aim to bring about.

The report is broadly divided into two substantive sections; the first provides a summary of expenditure for each Vote in 2022 along with detailed information on the activity (or outputs) supported by this expenditure, as well as broader outcomes targeted by these activities (or impacts). These output and impacts metrics are selected and reported by each of the Votes, based on their knowledge and expertise in each policy area. While reporting of this information is designed to provide a starting point for examining delivery against predefined targets, interpretation of changes in these metrics, particularly the interaction of outputs and impacts, may require more detailed analysis.

The section on overall performance metrics is followed by a more detailed examination of how performance may vary across different groups within society, in the section on Equality Budgeting. This includes a set of high level equality goals identified by Department's, and corresponding performance metrics and impact indicators for each of these. The identification and selection of these goals, metrics and indicators is again led by each Department, and is subject to continuous revision and refinement on an iterative basis each year.

One of the main new developments in the Public Service Performance Report for 2022 is the inclusion of a statement from the Secretary General of each Department commenting on their performance results from 2022, which adds a valuable narrative element to the numerical data provided, and an opportunity for each Department to provide any important contextual information for the performance results for the year.

The Wider Performance Budgeting Framework

The Performance Report is just one element of a suite of measures to increase evidence-based decision making, and improve how we monitor and oversee expenditure on policy issues that cut across multiple Departments and policy areas. This wider performance budgeting framework includes a number of different work streams such as green budgeting, well-being budgeting and SDG budgeting, along with a range of other processes for generating policy relevant information, such as the Spending Review process that supports policy analysis and evaluation across all Departments.

Updates on the Spending Review process and each of these Performance Budgeting initiatives are also included in the report.

Next Steps

An ambitious work plan for Performance Budgeting Policy is in place for the coming year, which aims to continue the momentum achieved to date and further advance this work.

A pilot project was launched earlier this year to ‘tag’ expenditure against Equality and Wellbeing dimensions. Returns from each department are currently being examined and will inform how this work is integrated into the budgetary cycle. Work is also underway to strengthen the tracking of climate-related expenditure across all Departments, and we have committed to developing a methodology for improving how expenditure on Sustainable Development Goals is tracked and reported also.

The Performance Budgeting framework is kept under constant review by DPENDR to ensure it best serves the purpose of increasing transparency and accountability. Feedback from

stakeholders is an essential part of this and we particularly value feedback from this Committee as a cornerstone of that.

It is clear from the Committee's 2021 Final Report that the Performance Report is a source of information that can be further utilised by the sectoral committees in their engagement with Ministers and their Departments. Such engagement, would in principle, allow the sectoral Committees to consider, with the relevant line Departments, any issues regarding performance against target, with the specific indicators selected for inclusion in the Report. The recommendations contained in the Committee's Final Report were quite thoughtful in this regard.

I thank the Committee for including this document on your agenda and look forward to hearing your feedback. This engagement with the Committee in relation to the overall format of the Report, and its positioning within the budgetary cycle, is very important to the Department of Public Expenditure, NDP Delivery and Reform as we continue our work in enhancing the overall Performance Budgeting framework and the Performance report in particular.

Thank you.