

Opening Statement to the Joint Committee on Finance, Public Expenditure and Reform and Taoiseach

I thank the Chair for the invitation to appear before the Committee and the opportunity to discuss the Public Service Performance Report 2021 and to answer any questions the Committee may have in relation to Performance Budgeting and its role within the overall expenditure framework.

The Government Submission to the Select Committee on Arrangements for Budgetary Scrutiny, in June 2016, committed to the publication of a Performance Report by the Minister for Public Expenditure and Reform. The first Report was published in 2017, with the Public Service Performance Report 2021, being the sixth edition of the report.

As recommended in the Budgetary Oversight Committee's Final Report on the framework for parliamentary engagement throughout the course of the budgetary cycle, 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 Public Service Performance Report therefore serves as a key tool for Oireachtas Committees in their engagement with Departments. It contains a wealth of information, provided by all government Departments, which clearly outlines each Department's goals, key outputs, and key impacts, giving a very succinct account of the Department's activity and achievements.

The report builds on the existing elements of the Performance Based Budgeting initiative and creates a space in the budget process for performance dialogue. 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 or Departments, 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 Budgetary Oversight Committee's Final Report on the framework for Parliamentary Engagement, proposes 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. This approach also seeks to enable sectoral Committees to make best use of the time available for reviewing performance and achievement by Departments and agencies.

The Performance Report is just one element of a suite of measures to increase evidence-based decision making, such as the Spending Review process, the IGEEES network and the Public Spending Code.

Equality and Green Budgeting Update

Updates on Equality and Green Budgeting, which are both integrated into the Performance Budgeting framework, are also included in the report.

The Equality Budgeting Pilot was implemented in 2018, and brings a new focus to Performance Budgeting, looking at equality dimensions such as gender, socio-economic inequality, disability and minority groups. Following a Government decision in 2021 to

accelerate the implementation of Performance Budgeting, all departments now participate in Equality Budgeting and report Equality metrics in both REV and the Performance Report.

In 2019, Ireland joined the OECD Paris Collaborative on Green Budgeting and committed to the progressive implementation of reforms to the budgetary process to better embed climate and environmental goals within it. With the advent of the ambitious climate targets in the Programme for Government commitments and their incorporation into legislation via the Climate Action and Low Carbon Development Bill 2021, this need grows ever more pressing. An update on this work is also included.

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. Work is currently underway to improve the tagging of expenditure to Equality, Green, Wellbeing and SDG dimensions.

The Performance Budgeting framework is kept under constant review to ensure it best serves the purpose of increasing transparency and accountability. Feedback from stakeholders is an essential part of this and we would particularly value feedback from this Committee.

It is clear from the Budgetary Oversight Committee's 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.

I thank the Committee for including this document on your agenda and look forward to hearing your feedback. Engagement with Committees 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 and Reform as we continue our work in enhancing the overall Performance Budgeting framework and the Performance report in particular.

Thank you.