Scrutiny of Votes in the Revised Estimates for Public Services 2019 - An Analysis of Vote 33 as a model

PBO Publication 4 of 2019

Introduction

This PBO Note is the fourth in a series addressing the structure of Votes as set out in the Revised Estimates for Public Services (the REV). It should be read in conjunction with the Revised Estimates for Public Services 2019 (REV2019). The Note provides an overview and analysis of the data contained in a Vote in the context of scrutinising expenditure and related performance.

Three previous PBO Notes addressed Votes which are more technically complex.1 This Note uses Vote 33 (Culture, Heritage and Gaeltacht) as a model to illustrate how the structure and data of a typical (or ‘standard’) Vote can be analysed.3 This Note may therefore provide a template in respect of the scrutiny of most Votes.4

Key messages

» Even the smallest Vote Group would be considered a large company in budgetary terms;

» Dáil Éireann’s Select Committees have an accountability and oversight role which aims to promote the more effective and efficient use of public resources;

» Most Votes in the REV are set out in a relatively uniform manner;

» The REV is however a high level and summary document;

» It provides the baseline for scrutiny which should continue throughout the year;

» Effective scrutiny of the REV therefore requires recourse to other documents, information and resources;

» Therefore, in order to facilitate effective scrutiny there should be a consistent approach to performance budgeting, including metrics and financial allocations, across these resources.

The Structure of a ‘standard’ Vote

Within the REV a Vote is structured in three parts:5

I. Estimate of the amount required;

II. Programmes under which the Subheads for this Vote will be accounted for; and

III. Details of Programmes - Objectives, Outputs and Financial & Human Resources.

This structure (reproduced in respect of Vote 33 in Figure 8) applies to most Votes.6

Part I: Estimate of the amount required

Part I (a) sets out the net Voted allocation in respect of which approval is sought from Dáil Éireann. Any unspent capital allocation brought forward from the previous year is stated under Part I (b). Figure 1 illustrates Part I of Vote 33.

Figure 1 - Part I of Vote 33

<table>
<thead>
<tr>
<th>[53]</th>
<th>Culture, Heritage and the Gaeltacht [53]</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

CULTURE, HERITAGE AND THE GAELTACHT
1. Estimate of the amount required in the year ending 31 December 2019 for the salaries and expenses of the Office of the Minister for Culture, Heritage and the Gaeltacht including certain services administered by that Office, and for payment of certain scholarships and grants
(a) by way of current year provision
Three hundred and thirty-seven million, one hundred and ninety-five thousand euro
(€337,195,000)
(b) by way of the application for capital expenditure services of certain appropriations, the remainder of which may be deferred under Section 31 of the Finance Act, 2004.
Seven hundred thousand euro
(€700,000)


In Vote 33, Part I (a) sets out that the amount allocated (net total) is €337,195,000 for 2019.

Part I (b) sets out a deferred surrender of €700,000 in accordance with Section 91(2) of the Finance Act 2004

1 These more complex Votes are Employment Affairs and Social Protection, Health, and Housing, Planning and Local Government. The PBO published separate Notes on these Votes in 2018.
2 The term ‘standard’ Vote is used by the PBO in this Note for ease of reference and has no official Government standing.
3 REV2019, pp153-158.
4 With the proviso that the more complex Votes referred to in footnote 1 constitute most of the Voted allocation in the REV.
6 See footnote one for those Votes in respect of which this structure clearly does not apply.
which permits the carryover of unspent capital allocation from one financial year into the next provided (i) it is not more than 10% of the allocation in the first year; and (ii) it is applied towards capital supply services.\(^7\)\(^8\)

Part II - Programmes under which the Subheads for this Vote will be accounted for

Part II initially provides a table (see Figure 2) setting out the individual Gross Voted allocation for each of the programmes in the Vote (broken down by current and capital).

**Figure 2 - Gross allocation by Programme, A-in-A and Net Vote Allocation – Vote 33**


The year is compared to the previous year’s final allocation (i.e. including any Supplementary Estimates approved by the Dáil for that year). If referring back to the allocation for 2018, as set out in REV2018, it is important to remember that it would not include any Supplementary Estimates for that year. For Vote 33 however, there was no Supplementary Estimate in 2018. A variation in the ‘in-year allocation’ of the Vote may distort trend analysis over time e.g. if a Supplementary Estimate were used to provide for one-off expenditure it could obscure the underlying rate of change in the Vote allocation.\(^12\)

Part II then provides data in respect of Exchequer pay and pension costs (and corresponding employee and pensioner numbers)\(^13\) based on the net\(^14\) allocations for 2018 and 2019.

**Figure 3 – Exchequer, pay, pensions and associated numbers – 2018 and 2019 Estimates and change between those years**


This data (Figure 3) is very important as staff costs can form a significant element of a Vote’s allocation. An increase in staff numbers will also normally suggest that the State is taking on long-term salary and pension costs.

Public service employee numbers in Vote 33 are projected to increase by 42 (+2%) between 2018 and 2019. Total pay is set to increase by 9% from €79 million to €86 million.\(^15\) A question that would therefore arise in the scrutiny of this Vote is why this financial increase does not appear to be synchronised with the percentage increase in employee numbers.

\(^7\) This €700,000 is not considered to form part of Voted funds for 2019 (net or gross) as it was previously Voted in respect of a particular use in 2018.

\(^8\) Part II of the Vote details the subhead(s) in which the deferred surrender is being allocated to and where the savings arose for Vote 33; the entire amount is to be applied to subhead C.8 in Vote 33 in 2019. A Ministerial Order must also be made by the Minister for Public Expenditure and Reform before 31 March in the year of carryover. This is subject to approval by Dáil Éireann.

\(^9\) It is important to note that this is what it is intended should be spent under the Vote and that performance metrics, where provided, will relate to some part of the gross expenditure.

\(^10\) A-in-A consists of own-generated revenue which may be retained within the Vote reducing thereby reducing the allocation required. See PBO, Appropriations-in-Aid in the Revised Estimates for Public Services (2018)

\(^11\) It should be recalled that this is the amount in respect of which the approval of the Dáil is sought.

\(^12\) It is advisable to consider Supplementary Estimates in conjunction with the REV as many are recurring.

\(^13\) This includes the Department’s own employees and may also include those of bodies which the Department is responsible for funding.

\(^14\) It is arguably distortionary that this is a percentage of the net rather than gross allocation – how distortionary depends on the quantum of the A-in-A involved in each Vote. In the case of Vote 33 it is a relatively small amount (€3.8 million in 2019 or 1% of projected expenditure).

\(^15\) Both figures rounded up to the nearest million.
A table then details the composition of administrative expenditure under the Vote (€40,482,000 - 11.9% of the Vote’s gross allocation). This data is of limited use in scrutinising the Vote. Part II of Vote 33 is, for ease of reference, reproduced in its entirety (see Figure 4 below).

**Figure 4 - Part II of Vote 33 (REV2019)**

II. Programmes under which the Subheads for this Vote will be accounted for by the Office of the Minister for Culture, Heritage and the Gaeltacht.

<table>
<thead>
<tr>
<th>Subhead</th>
<th>2018 Estimate</th>
<th>2019 Estimate</th>
<th>Change over 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Capital</td>
<td>Total</td>
</tr>
<tr>
<td>A - CULTURE</td>
<td>137,572</td>
<td>29,730</td>
<td>167,302</td>
</tr>
<tr>
<td>B - HERITAGE</td>
<td>36,785</td>
<td>10,430</td>
<td>47,215</td>
</tr>
<tr>
<td>C - IRISH LANGUAGE, GAELTacht AND ISLANDS</td>
<td>38,360</td>
<td>10,497</td>
<td>48,857</td>
</tr>
<tr>
<td>D - NORTH-SOUTH CO-OPERATION*</td>
<td>1,193</td>
<td>2,699</td>
<td>3,892</td>
</tr>
<tr>
<td>Gross Total</td>
<td>248,629</td>
<td>54,530</td>
<td>303,159</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| E - APPROPRIATIONS-MAID | 4,200 | - | 4,200 | 3,764 | - | 3,764 | -10%
| Net Total | 244,429 | 54,530 | 298,959 | 261,388 | 75,864 | 337,223 | 13% |

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay and pensions included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

Exchequer pay included in above net total .... | 72,737 | | | 82,612 | | 9,875 | 0%
Exchequer pay and pensions ..... | 2,677 | | | 2,932 | | 255 | 9%

* Allocation is subject to the North-South Ministerial Council.

Part III - Details of Programmes - Objectives, Outputs and Financial & Human Resources

Part III of a Vote describes each programme in terms of allocation and performance.

The first table in Part III, of each 'standard' Vote, details the total programme allocation by subhead. The subhead allocations are broken down between current and capital expenditure.

The first programme in Vote 33 (REV2019, p.154) is Programme A – Culture, which contains sixteen subheads (A.1-A.16). Subheads A.1 and A.2 relate to administrative expenditure rather than the direct provision of public services.16

Public service employees associated with different subheads are also detailed in this table. For Vote 33, Programme A alone has 43% of total employees associated with the Vote and 56% of the total gross allocation, signalling its importance relative to the other three programmes.17 However, staff numbers in this programme are to be reduced in 2019 while those in the other programmes are set to increase.

Up to this point all the data provided in Part III has been financial. In respect of each programme, performance budgeting is now introduced through the provision of two additional tables under the heading of 'Key outputs and Public Service Activities':

- Key High Level Metrics18 provide output indicators/targets for the year of the REV in question (x), the previous year (x-1) and the year before that (x-2). It also provides the final outturn for year x-2.19
- A table of context and impact indicators is then provided.

This format is repeated for each subsequent programme.

Based on the data set out in the REV it is not possible, with certainty, to directly map the amount of Programme allocation onto specific output targets/outturn, i.e. the key high level metrics do not state which subhead(s) they relate to. This applies to all Votes in the REV.

It is possible to make assumptions for some metrics that they are linked to specific subheads. For example, in Programme A of Vote 33 an assumption can be made that the key high level metric, "No. of projects for Screen"

Figure 5 - Programme A, Non-administration allocations (€000s) and associated performance metrics 201920

![Figure 5](image)

Source: PBO based on REV2019 (Vote 33).

* Three metrics, ‘(3)’, do not relate to a specific subhead.

16 Subhead A1 and A2 (and the equivalent for each programme) relate to the Department’s costs.
17 Programmes B, C and D constitute 16%, 16% and 12% respectively of the Gross Vote 33 allocation.
18 This table is integral to an understanding of the Programme Logic Model. See PBO, Performance Information and the Revised Estimates for Public Services (2018).
19 In this case therefore targets are provided for 2019 and 2018. Targets and actual Outturn are provided in respect of 2017.
20 Subheads A.1 and A.2, being related to administration, are not included in Figure 5.
Ireland to invest in” is related only to subhead A.12 Fís Éireann / Screen Ireland. However, it is possible that other subheads are involved or that not all the funding provided to that subhead relates to that metric. In the case of the other metrics provided in respect of Programme A, it is not at all possible to determine from the information provided in REV2019 which subhead(s) they relate to. This is illustrated in Figure 5 (p.4).

Metric targets are important and it should be possible to relate them directly to specific Vote expenditure (subheads) thereby facilitating scrutiny of performance. Until that linkage to expenditure is clear and the output metrics are quantitative ones of a good quality\(^\text{21}\) and refer to a substantial portion of the Vote’s allocation, any scrutiny of the impact indicators provided is of limited value.

In its analysis of the latest Public Service Performance Report\(^\text{22}\) (the PSPR - in respect of 2017), the PBO has previously noted that the REV is published before year-end and “thus cannot include information on the achievement of output targets in that year.”\(^\text{23}\) The PSPR in respect of 2018 to be published in April 2019 will therefore provide the outturn in respect of metrics for 2018. The PSPR has not however, to date, compared targets to outturn thereby rendering it an activity report rather than a performance report. This also means that scrutiny of performance for 2018 will involve referring to both the REV2019 and the PSPR 2018 (rather than just the PSPR 2018) when it is published.

Programme A (only) in Part III of Vote 33 also includes an additional section of Equality Budgeting Objectives & Performance Indicators. Equality Budgeting was introduced as a pilot programme in REV 2018.\(^\text{24}\) Equality Budgeting in REV 2019 applies to 13 Votes. The metrics are in nine categories (such as ‘Ensure Gender Equality’), and are laid out accordingly in Appendix 10 to REV 2019. Equality Budgeting is clearly broken down in separate tables in nine Votes;\(^\text{25}\) in the four other Votes which contain equality budgeting metrics, the metrics in question are not displayed separately but instead form part of the standard Key High Level Metrics of those Votes.\(^\text{26}\)

The inconsistency in presentation of Equality Budgeting within the Votes is unnecessary and complicates the identification of Equality Metrics without reference to Appendix 10 of the REV.

Programme A is reproduced in its entirety in Figure 6 over.

---

21 A guidance note on enhancing the quality of performance information was circulated to Departments by the Department of Public Expenditure and Reform after REV2016. This does not appear to be available online.
22 The Public Service Performance Report (PSPR) is now published around April each year by the Department of Public Expenditure and Reform.
25 Vote 24 (Justice and Equality); Vote 26 (Education & Skills); Vote 29 (Communications, Climate Action & Environment); Vote 31 (Transport, Tourism and Sport); Vote 32 (Business, Enterprise and Innovation); Vote 33 (Culture, Heritage & the Gaeltacht); Vote 37 (Employment Affairs & Social Protection); Vote 38 (Health); and Vote 40 (Children & Youth Affairs) provide separate tables to distinguish Equality Budgeting Metrics within the Part III of those Votes.
26 Vote 20 (Garda Síochána); Vote 21 (Prisons); Vote 34 (Housing, Planning & Local Government); and Vote 42 (Rural & Community Development).
Figure 6 - Part III of Vote 33 (Programme A)

III. Details of Programmes - Objectives, Outputs and Financial & Human Resources

PROGRAMME EXPENDITURE

A - CULTURE

High Level Goal: To promote and develop Ireland’s world-class artists and creative strengths at home and abroad, sustanting their cultural, economic and reputational value for the country.

Financial & Human Resource Inputs

<table>
<thead>
<tr>
<th>Headings</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 - ADMINISTRATION - PAY</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A1 - ADMINISTRATION - NON-Salary</td>
<td>3,186</td>
<td>3,135</td>
</tr>
<tr>
<td>A1 - PAYMENTS TO NATIONAL ARTISTS (OELED)</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>A1 - NATIONAL ARTISTS &amp; ARTS ORGANISATIONS AND NATIONAL ARTISTS ADVISORY COUNCIL</td>
<td>1,285</td>
<td>1,250</td>
</tr>
<tr>
<td>A2 - NATIONAL LIBRARY</td>
<td>11,135</td>
<td>11,120</td>
</tr>
<tr>
<td>A3 - NATIONAL MUSEUMS, GALLERIES, CULTURAL CENTRES AND PROJECTS</td>
<td>3,150</td>
<td>3,150</td>
</tr>
<tr>
<td>A4 - CULTURAL INFRASTRUCTURE AND DEVELOPMENT</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A5 - CULTURAL IRELAND</td>
<td>4,395</td>
<td>4,375</td>
</tr>
<tr>
<td>A6 - AN CHORSAILEE KEADA (PART FUNDED BY NATIONAL LOTTERY)</td>
<td>87,302</td>
<td>87,302</td>
</tr>
<tr>
<td>A7 - THE NATIONAL MUSEUM OF IRELAND</td>
<td>1,430</td>
<td>1,430</td>
</tr>
<tr>
<td>A8 - THE NATIONAL LIBRARY OF IRELAND</td>
<td>7,818</td>
<td>7,818</td>
</tr>
<tr>
<td>A9 - THE THEATRE CENTRE</td>
<td>3,135</td>
<td>3,135</td>
</tr>
<tr>
<td>A10 - THE GALLERY OF IRELAND</td>
<td>3,146</td>
<td>3,146</td>
</tr>
<tr>
<td>A11 - THE EUROPEAN CITY OF CULTURE</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A12 - THE CRAFTS EMERGENCE</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Programme Total:/of which pay:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>137,573</td>
<td>137,573</td>
</tr>
<tr>
<td></td>
<td>69,636</td>
<td>69,636</td>
</tr>
</tbody>
</table>

* Funded from the National Lottery Licence transaction

Key Outputs and Public Service Activities

Key High Level Measures

- No. of individuals to be supported
- No. of artists to be supported
- No. of significant infrastructure projects to be supported
- No. of projects for Screen Ireland to be supported

Legislature

<table>
<thead>
<tr>
<th>2017 Outputs</th>
<th>2018 Target</th>
<th>2019 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Arts Fund</td>
<td>National Arts Fund</td>
<td>National Arts Fund</td>
</tr>
</tbody>
</table>

Contact and Impact Indicators

1. Number of visitors to cultural institutions
2. Aggregate output level of film and television production sector
3. Participation in cultural activities
4. Number of arts events supported by culture Ireland

EQUALITY BUDGETING OBJECTIVES & PERFORMANCE INDICATORS

High Level Goal: To work to achieve enhanced levels of representation of women and girls in film and to screen content supported by the Breen Board

Key Outputs and Public Service Activities

Key High Level Activities

- Increase the number of applications received with female talent
- Increase the number of successful applications with female talent

Contact and Impact Indicators

1. Number of Irish Film Board/Screen Ireland applications received

Details of projected A-in-A are provided at the very end of Part III (see Figure 7 below). A-in-A are own-generated revenue which accrue to a Vote. These vary in nature from one Vote to another but include revenue from sources such as rental income and user/customer charges/fees.

A projected increase in A-in-A reduces the need for Exchequer funding while a reduction in A-in-A serves to increase the need for Exchequer funding. In Vote 33, A-in-A for 2019 is projected to decrease from €4.2 million to €3.8 million. This is in response to the conversion of the Pension Related Deduction (PRD) to the Additional Superannuation Contribution (ASC).

It is unclear why the PRD has not been renamed in the REV2019 or why it is still included in the individual Votes rather than being reported under Vote 12.27

Conclusions on Vote Structure

This Note describes the elements and structure that are shared by most of the Votes while also indicating some elements which may not be present in all cases such as Equality Budgeting.

Other information is available in the REV including non-commercial State Agency28 statements categorised by Vote.

Green Budgeting is addressed in Appendix 11 to REV 2019. In An Overview of the Green Budgeting Initiative (2018) the PBO noted that the mainstreaming of climate considerations into the budget process could contribute to policy debate and to increased transparency of expenditure on environmental and climate issues. However, the approach taken in Appendix 11 is simplistic – it is simply a list of the Votes and subheads which have been identified as being climate-related.

Figure 8 (over) summarises the structure of a ‘standard’ Vote in the REV.

---

27 Department of Public Expenditure and Reform Circular 21/2018 reiterates that the ASC is to be brought to account by all Departments as appropriations-in-aid (December 2018, para 10).

Part I - Estimate of the amount required
(A) Current year provision
(B) Deferred Surrender

Part II - Programmes under which the Subheads for this Vote will be accounted for
Programme Expenditure
Details of public service employees, pensioners and associated pay and pension costs
Administration
Application Of Deferred Surrender

Part III - Details of Programmes - Objectives, Outputs and Financial & Human Resources
Programme Expenditure
Key Outputs And Public Service Activities:
• Key High Level Metrics
• Context And Impact Indicators
Equality Budgeting Objectives & Performance Indicators
Key Outputs And Public Service Activities:
• Key High Level Metrics
• Context And Impact Indicators
Details Of Appropriations-In-Aid

Source: PBO (2019).

Making use of data in the REV

The REV is a core reference text throughout the budgetary cycle - other documents are subsequently published during the year that update the financial, and in one case, some of the performance data contained in it.

It is therefore necessary to consider the REV’s content alongside a range of other data sources. These sources include, but are not limited to, the Department of Public Expenditure and Reform Databank, the Department of Finance’s Fiscal Monitor, the Department of Public Expenditure and Reform’s Public Service Performance Report, the Mid-Year Expenditure Report and the Budget’s Expenditure Report. Publications of a Vote-specific nature are also important in understanding and analysing the content of the REV, examples of these include annual reports, statements of strategy, value for money reports and spending review papers.

Trend Analysis

The REV for a particular year should not be viewed in isolation, in particular, as already noted the final allocation for a year will include in-year increases to that allocation (if any). This will be noted in Part II of the Vote in question by way of an asterisk over the estimate of the preceding year. This denotes that a Supplementary Estimate is included in the allocation of the preceding year. A Further Revised Estimate is often associated with restructuring of Ministerial responsibilities; a Further Revised Estimate can therefore have a significant distorting impact on trend analysis.

Figure 9 illustrates the use of trend analysis over time. It does so by setting out, for Programme A of Vote 33, the final outturn for the years 2015 to 2018 (from the DPER Databank) and the allocation for 2019 (from REV2019).

29 The databank should not be launched in Internet Explorer. Browsers such as Firefox support use of the databank.

30 It should be noted that a Further Revised Estimate will not be so notified.
Figure 9 illustrates significant fluctuation in the balance of Vote 33’s composition between current and capital expenditure. It shows that expenditure under Programme A has grown barring a contraction of both current and capital expenditure in 2017.

A more detailed analysis can also be carried out of each individual programme and how the subheads within it are projected to change between 2018 and 2019 as illustrated in Figure 10 below.

A similar chart is provided in the PSPR 2017 (p.52) for the years 2013 to 2017. That chart notes that the Department operated as the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs for the period from 9 June 2016 until 27 July 2017. Responsibility for Regional and Rural Affairs transferred to the new Department of Rural and Community Development on the 27 July 2017. This would suggest that the transfer of function may have had a bearing on the decrease in allocation in 2017.

Identification of Priority Areas

Analysis of the REV can also be facilitated by the use of charts to visualise the comparative size of programmes in the first instance, and subheads in the second. Figure 11 below illustrates such analysis using Vote 33 as an example.

Source: Revised Estimates for Public Services 2019 and DPER Databank.

Note: *Funded from the National Lottery Licence transaction.

Source: PBO based on Revised Estimates for Public Services 2019.
Figure 12 (below) illustrates the same approach as applied to Programme A of Vote 33. Programme A comprises sixteen subheads. This volume of subheads would be challenging to present graphically; therefore, a simplification process can be conducted which determines that seven subheads represent approximately 83.6% of the programme’s total allocation – the remaining six subheads comprise only 16.4% of the programme allocation and can be grouped together under ‘All other subheads’.

**Figure 12 - Subhead Composition of Programme A in Vote 33 (% of Programme Allocation)**

- A.9 - 39.4%
- A.12 - 10.5%
- A.10 - 7.4%
- A.7 - 7.2%
- A.5 - 7.0%
- A.5 - 6.6%
- A.13 - 5.5%
- All other subheads - 16.4%

Source: PBO based on Revised Estimates for Public Services 2019.

Figures 11 and 12 are examples of how fiscally significant areas can be easily and prominently identified. Priority could be given to scrutiny of subhead A.9 as it alone comprises 40% of the total programme allocation. This subhead also represents approximately 20% of the entire allocation for Vote 33.

The Relationship between Performance Information and Expenditure

The relative sizes of subheads and/or programmes can be used to comment on potential issues in the Vote’s structure. It is also possible to link such analysis with the performance information in the REV (or lack thereof) to comment on the adequacy of the performance information provided. The PBO has previously described the Programme Logic Model (PLM) for evaluating the effectiveness of expenditure.  

In some cases it is not easy to link a performance metric to a specific subhead. At present doing so requires a similarity in the description of the metric and the subhead and this does not rule out the possibility that a metric relates to the allocation of more than one subhead. **Government Departments would of course have this information.** As set out in Figure 5 earlier, only one of four output metrics in Programme A of Vote 33 could be associated with a subhead.

Figure 13 provides an overall analysis of Vote 33 whereby the relative allocation size and percentage of total key high level metrics are determined.

**Figure 13 – Programme Analysis of Vote 33**

Source: PBO based on Revised Estimates for Public Services 2019.

The analysis above illustrates that there are issues with the number of metrics and/or their distribution in Vote 33. In this case, the allocation to a programme would appear to have a poor relationship with the number of metrics associated with the individual programmes, i.e. Programme A has nearly 60% of the Vote allocation but only 15% of the metrics. It is difficult to see why this occurs and such analysis is important as it can highlight areas which require further investigation.

Further investigation may reveal that a small number of metrics do sufficiently address performance in this area if they are of a high quality. In some policy areas a review of
other sources (e.g. IGEES Spending Review papers, replies to parliamentary Questions) may reveal that there are other metrics which are reported on separately. This may inform additional scrutiny or may facilitate commenting on their absence from the REV itself.

Finally, the change (if any) in targets associated with metrics can also raise issues for further inquiry. For example, a large increase in targeted output in the absence of a proportionate increase in funding may suggest that the target is unrealistic or that efficiencies are expected to be found. There may, of course, be other explanations but these will need to be clearly identified.

Current and Capital Expenditure

In undertaking scrutiny of the REV it can be useful to look at the share of current and capital expenditure in a Vote. In most ‘standard’ Votes the majority of expenditure is current. The balance of current and capital expenditure can be significant in determining the relative sizes of increases or decreases in a Vote’s allocation. In Vote 33, almost 78% of the gross Voted allocation in 2019 is current in nature.

Figure 14 illustrates that the increase in allocation in Vote 33 in 2019 of €16.5 million current and €21.5 million capital represent increases of approximately 7% and 40% respectively. The relative size of increases in allocations may merit further investigation.

Figure 14 – Growth in Vote 33 Allocation 2018-2019

Publications

Expenditure Analysis series

Publication 1 of 2019 Demographics and Voted Expenditure 03 January 2019

Commentaries

Budget 2019 - Analysis of Voted Expenditure Allocations 14 November 2018

Budget 2019 – Issues for Members of the Houses of the Oireachtas 22 October 2018

PBO Preliminary review of Budget 2019 09 October 2018

Pre-Budget 2019 Commentary 01 October 2018

Quarterly Economic and Fiscal Commentary (Q3 2018) 08 October 2018

Briefing Papers

Briefing Paper 16 of 2018 Supplementary Estimates 2018 06 December 2018

Briefing Paper 15 of 2018 Budgetary Issues in the Finance Bill 2018 07 November 2018

Infographics

Publication 2 of 2019 Budgetary Cycle 2019 11 January 2019

Infographic 5 of 2018 Estimates of Exchequer Revenue 2019 31 October 2018

Pre-Budget 2019 Ready Reckoner 08 October 2018

PBO Notes

Note 28 of 2018 Health (Vote 38) in the Revised Estimates for Public Services 12 December 2018

Note 27 of 2018 The European Commission’s Opinion on Ireland’s Draft Budgetary Plan 2019 27 November 2018

Note 26 of 2018 General Government Debt: Key Issues to Consider 23 November 2018

Note 25 of 2018 Performance Information and the Revised Estimates for Public Services 21 November 2018

Note 24 of 2018 An Overview of the Green Budgeting Initiative 13 November 2018

Note 23 of 2018 The Local Government Fund and Vote 34 in the Revised Estimates for Public Services 12 November 2018

Note 22 of 2018 The National Training Fund 12 November 2018

Note 21 of 2018 The Social Insurance Fund and Vote 37 in the Revised Estimates for Public Services 07 November 2018

Disclaimer: This document has been prepared by the Parliamentary Budget Office (PBO) in accordance with its functions under the Houses of the Oireachtas Commission Act 2003 (as amended) for use by the Members of the Houses of the Oireachtas to aid them in their parliamentary duties. It is not intended to be either comprehensive or definitive. The PBO may remove, vary or amend any information contained therein at any time without prior notice. The PBO accepts no responsibility for any references or links to or the content of any information maintained by third parties. Staff of the PBO are available to discuss the contents of these papers with Members and their staff, but cannot enter into discussions with members of the general public or external organisations.

Contact: PBO@Oireachtas.ie
Go to our webpage: www.Oireachtas.ie/PBO
Publication Date: 17 January 2019