

Public Service Performance Report 2018

– An activity report; not a performance report.

PBO Publication 28 of 2019

Key messages

- The annual *Revised Estimates for Public Services* are published prior to the end of the year and therefore cannot include information on the achievement of output targets in that year. The publication of the Public Service Performance Report (the 'PSPR') provides an opportunity to close that gap.
- The PSPR is an 85-page document containing a large amount of data. It was published by the Department of Public Expenditure and Reform on 14th May and was discussed by the Committee on Budgetary Oversight with Department officials that afternoon.
- At present, the lack of **targets** presented in the Vote 'dashboards' means that the PSPR is an *activity* report rather than a *performance* report. By excluding the original target, the PSPR only reports on activity (what was done) rather than performance (what was done compared to what was intended should be done). This is contrary to performance budgeting concepts.
- The PSPR also contains a separate review of Equality Budgeting. The manner in which this data is presented is inconsistent with the Vote dashboards. In respect of some Vote programmes, the Equality Budgeting data does contain output targets as well as outturns for 2017 and 2018.
- The financial information presented in the Vote dashboards is only at Programme level and cannot therefore be directly linked to the individual metrics illustrated.
- Ultimately, discussion of the **impact** of voted expenditure on public services cannot take place without establishing transparency around **inputs** (funding, staff etc.) and the **outputs** produced.

- The PSPR 2018 presents Members and committees with information in an easy to view, accessible style. Importantly, it also reinforces the use of quantitative performance metrics. The use of the 'dashboard' format is of particular value. The PSPR can therefore be used by Members and committees to get a 'bird's eye' overview of the range of services provided as a result of Government expenditure. However, without improving the presentation of targets and output indicators and the level of financial information, it will not substantially assist them in scrutinising Government performance.
- The PBO recommendations made in respect of PSPR 2016 have not been responded to, and no substantive improvements have been made to the report since its introduction, in spite of a commitment in PSPR 2016 to engage with the Oireachtas and other stakeholders.
- A review of the improvements required to make the PSPR useful, previously identified by the PBO and which have not been addressed, are set out in Table 1.

Introduction

The PBO has considered the *Public Service Performance Report 2018* (the 'PSPR 2018') with three objectives in mind:

1. Whether, or to what extent, the report is useful to Committees in scrutinising Voted expenditure and performance;
2. Whether improvements previously suggested by the PBO have been implemented; and,
3. How the document can be improved in future iterations.

The [Public Service Performance Report 2018](#) was published by the Department of Public Expenditure and Reform on 14th May 2019. It is the third edition of this annual publication setting out and measuring how the Government has delivered public services in the *previous* year. The PBO assessed *both* the initial 2016 report and the 2017 report. This Note may therefore be read in conjunction with [PBO Note 2 of 2017](#) and [PBO Note 9 of 2018](#).

The format of the PSPR 2018 is essentially unchanged from the previous years. It presents (by Vote or Group) the gross amount spent at programme level in 2018 along with a set of output metrics (under the heading ‘What has been delivered in 2018?’). As in both previous iterations of the report, these **output metrics are *not* linked to the financial input that produced them, rendering them of limited use from a performance information and scrutiny perspective.** In particular, they cannot be used to scrutinise Voted expenditure if employing the Programme Logic Model as discussed in [PBO Note 25 of 2018](#). **These metrics are once again presented in a ‘dashboard’ format and show the corresponding output for the previous years but no longer show the increase/decrease between years (which was useful).** The PSPR 2018 (p.3) states that “annual reporting of consistent metrics can build up a picture of performance trends...and can help to track progress in relation to the achievement of key strategies and public policies...some trends are now becoming visible.” As the output metrics are not linked to the financial inputs (which may be increasing/decreasing/static) this assertion is *not* supported, i.e. the output metrics for a programme may improve but, without knowing whether that was achieved with the same spending, this does not assist with effective scrutiny.

The PSPR is based on the *Revised Estimates for Public Services* and should be aligned to, and consistent with, that document inasmuch as possible. The PSPR 2018 (p.2) again acknowledges that “Owing to the fact that the REV is published prior to the end of the year, outturn information is not available for the current year, and only targets can be published...The Performance Report addresses this shortfall, as it provides timely information on what was delivered with public funds in 2018.” **As the PBO has also previously pointed out, while this publication is described as a performance report, the exclusion of targets means that it is, in fact, an activity**

report on the €63 billion in Voted expenditure, i.e. most State expenditure in 2018.¹ Therefore, the performance targets set out in the Revised Estimates are of crucial importance to scrutiny of performance and should be included in the PSPR rather than omitted. The current approach seems to suggest that the targets have no relevance as soon as the outturn is available which is contrary to performance budgeting principles.

Potential improvements to the PSPR

The Government, when releasing the first performance report, [stated](#) that, “the report, which is the first of its kind, aims to strengthen the focus on what is being delivered with public funds and create an opportunity for meaningful dialogue between Ministers and Oireachtas Committees on government performance”.

The PSPR 2016 (p.4) stated that, “the format of the report will be subject to review in advance of its next iteration. Feedback will be sought from the Oireachtas and other stakeholders that could assist in the evolution and refinement of this report so that it can best fulfil its purpose in future years”.

PBO Note 2 of 2017, in relation to the PSPR 2016, welcomed the report but also noted some improvements which could be made. The PBO believes that these, if implemented, would make it easier to utilise and navigate the report. Table 1 of PBO Note 9 of 2018 summarised the PBO’s proposed improvements and whether they had been addressed in the PSPR 2017. Table 1 of this Note updates that table. Essentially, however, **the improvements proposed by the PBO in respect of the first PSPR have yet to be implemented.** In the absence of improvements, those proposed by the PBO or otherwise, the Public Service Performance Report does *not* contribute in a substantive way to the effective scrutiny of Voted expenditure. In the context of the flaws in the Revised Estimates in relation to performance budgeting scrutiny, this means that the PSPR does not fulfil the function envisaged for it, “to help enhance the focus on performance and delivery” by enabling “sectoral Committees make best use of the time allocated for reviewing performance measures.”²

1 See the infographic, [PBO publication 19 of 2019](#), for the Total Gross Voted Allocation and Expenditure Cycle 2018.

2 PSPR 2018, p.2.

Table 1 - Update on improvements suggested to the Public Service Performance Report

Improvement proposed in PBO Note 2 of 2017 in respect of PSPR 2016	Whether addressed or to what extent in PSPR 2017	Whether addressed or to what extent in PSPR 2018
Adding information from other years	<p>The 'dashboard' under the heading 'What has been delivered in 2017' in respect of each Vote does record the change from 2016. The question arises as to whether the report will, in future years, continue to track this change over multiple years, i.e. provide a trend over time.</p> <p>The PBO also suggested that there should be continuity in the use of metrics over time or that any change should be flagged – there is no indication as to whether or not metrics have changed or remained static.</p>	<p>The 'dashboard' under the heading 'What has been delivered in 2018' in respect of each Vote or Group records the 2016, 2017 and 2018 outturns. It no longer shows the increase/decrease between years which the PSPR 2017 did.</p> <p>There is still no indication as to whether or not metrics have changed or remained static.</p>
Adding information on the original targets for 2016, 2017 and 2018 – the original output targets for the metrics are not presented in the report.	<p>Without including the original target the PSPR reports on activity (what was done) rather than performance (what was done compared to what was expected to be done). This undermines the concept that this is a performance report.</p> <p>In addition, providing both targets and outturns provides a perspective as to whether the latest targets are realistic/ambitious etc. in the context of what was achieved in the previous year.</p>	No change.
Matching financial information to outputs at a more appropriate level.	As with the PSPR 2016 and PSPR 2017, PSPR 2018 once again presents financial information at programme level only. It is not clear how much of this (financial) input goes towards achieving the specific outputs presented. The PBO continues to make the point that, as the Revised Estimates are presented at sub-programme level, it may be more appropriate to have more information presented in the report in order to allow greater clarity in respect of the relationship between inputs and outputs.	No change.



Consistently aligning the metrics presented in the performance report with the metrics presented in the <i>Revised Estimates for Public Services</i> .	The PBO noted, in respect of the PSPR 2016, that there was some inconsistency between the metrics reported and those listed in the Revised Estimates volume. A lack of consistency between reports makes performance budgeting less useful, particularly to Members and Committees of the Oireachtas. It would appear that some of this inconsistency has been addressed in the PSPR 2017, and this is a positive development.	A commitment that the metrics used in the PSPR will not differ from those used in the Revised Estimates for Public Services would be welcome.
Aligning the metrics chosen with strategic plans and annual reports – it is unclear how the performance metrics reported on are linked to the strategic plan of the Department or their annual reports.	This continues to be the case in respect of PSPR 2017.	No change.
Improving the quality of output metrics – the quality of many of the output metrics could be improved especially if they are to be used in a performance accountability context. For example, metrics on customer satisfaction and quality of service could be added.	The quality of the metrics is unchanged.	No change.

Equality Budgeting

This is an area of budget policy that is undergoing development. A pilot project in the Revised Estimates 2018 was expanded in the Revised Estimates 2019. The PSPR 2018 notes that the Revised Estimates 2019 contains an appendix which includes a table collating all performance indicators that directly relates to areas of equality. Equality budgeting themes are identified in the PSPR 2018 (p.64) – the concentric circles set out on that page do not, despite its initial appearance, constitute an infographic. The following pages in the PSPR 2018 set out further detail in respect of the relevant metrics and programmes. While it is inconsistent and confusing that, in respect of some Votes, these pages (unlike the Vote dashboards in the PSPR) *do* contain output targets as well as outturns for 2017 and 2018, this is the approach that should be implemented throughout the PSPR, i.e. in respect of the Vote dashboards as well as programmes which relate to Equality Budgeting.

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