



## Gross Voted Expenditure: January to May 2019

### Illustration and analysis of budgetary management by Vote Group

#### PBO Publication 29 of 2019 – Expenditure Analysis series

The data in this publication illustrate the performance of Vote Groups (expenditure) against profile (*projected* expenditure for the same period). The difference, or variance, reflects over- or under-spending to date. All data in this Note is derived from the Department of Finance [May 2019 Fiscal Monitor](#).

Figure 1 illustrates that the total gross Voted expenditure to end-May 2019 was €26,066 million. This was *€145 million (-0.6%) below the profile* for May (€26,212 million). The variance from profile is proportionately more significant in capital expenditure (€81 million, -4.1%) than in current (€65 million, -0.3%). ***This is significantly greater than the capital underspend in April of €3m or -0.2% below profile.*** Current expenditure is more in line with profile in May than it was in April with the underspend more than halving - from €143m in April to €65m in May.

Figure 1: Overall Gross Voted Expenditure - Profile vs Actual Expenditure Outturn, May 2019



#### Key messages

- Up to end May 2019, the majority of the total variance from profile (Current and Capital combined) has been characterised by an *underspend* - actual expenditure has, in most Vote Groups, been lower than anticipated;
- Underspend* against profile in Capital expenditure has substantially increased in May to €81m (-4.1%), from €3m (-0.2%) in April. Within that total, there is a significant underspend in the Transport, Tourism and Sport Vote Group capital expenditure of €59m in May compared to €9m in April. The capital overspend in the Housing, Planning and Local Government Vote Group has reduced significantly, to €2m in May compared to €30m in April.
- Current Expenditure is closer to profile, with the *underspend* against profile more than halving to €65m (-0.3%) in May compared to €143m (-0.8%) in April.
- It is, as yet, too early in the year to state which Vote Groups may require Supplementary Estimates in November/December; and
- A situation where there is no, or a limited, expenditure ‘buffer’ during Q2 *may* be an early indication that a Supplementary Estimate will ultimately be sought from Dáil Éireann during Q4.

Figure 2: Variance between Actual Expenditure and Projected Expenditure by Vote Group – May 2019 (**Current €**)

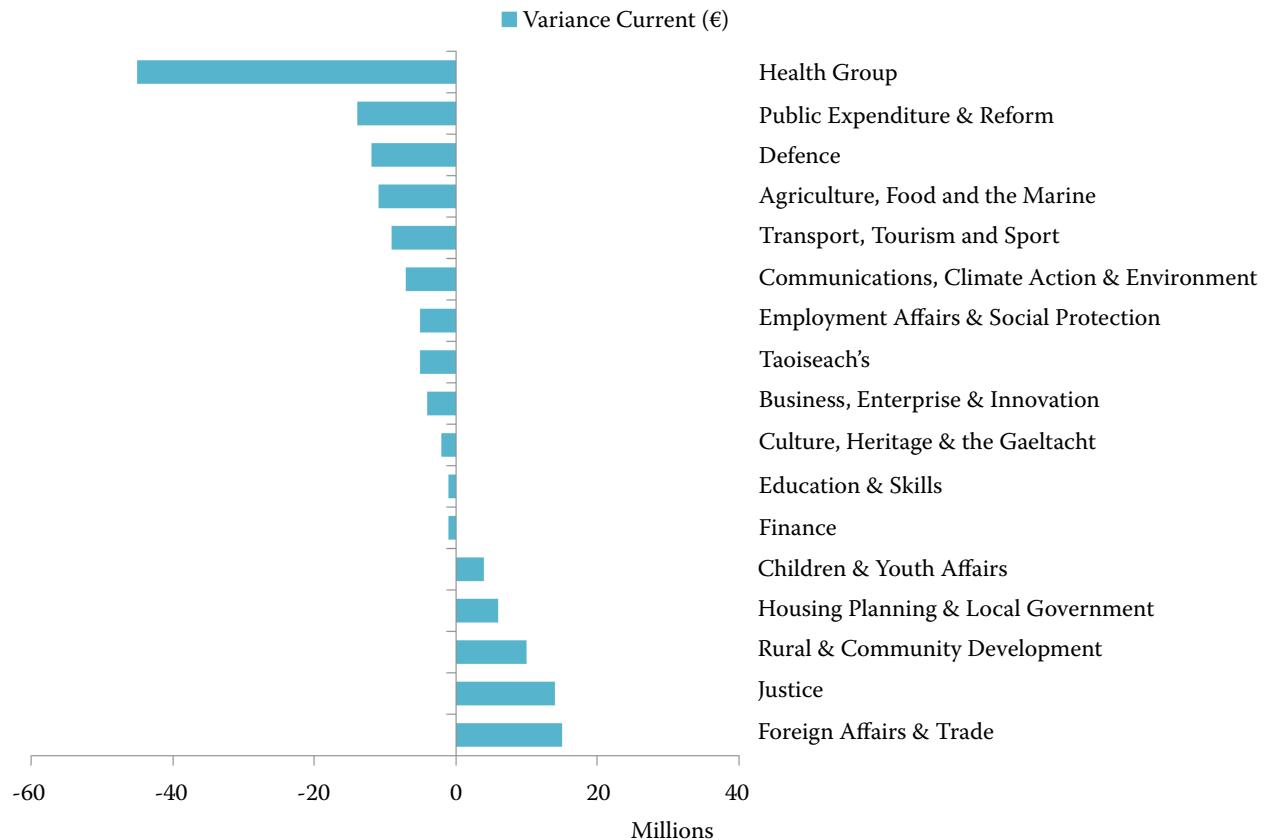


Figure 3: Variance between Actual Expenditure and Projected Expenditure by Vote Group – May 2019 (**Capital €**)

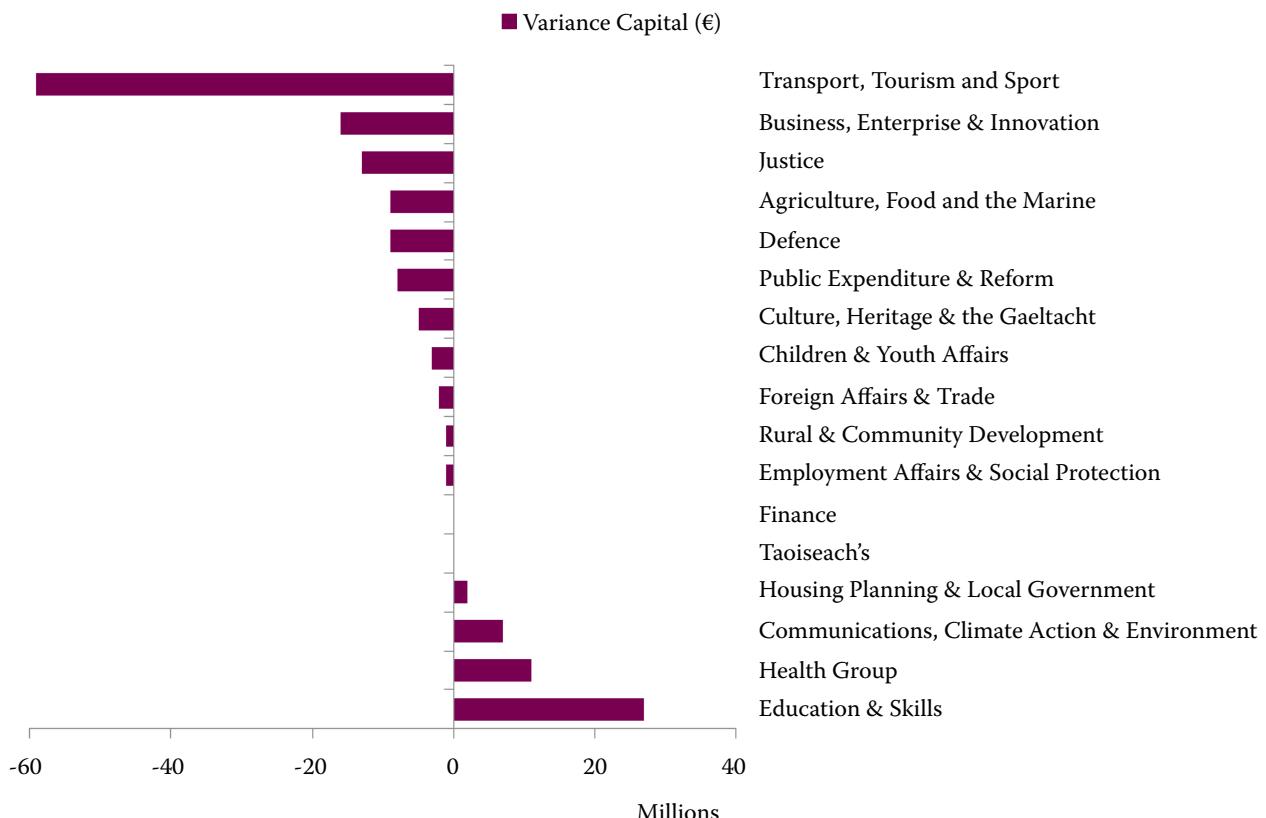


Figure 4: Variance between Actual Expenditure and Projected Expenditure by Vote Group – May 2019 (**Current %**)

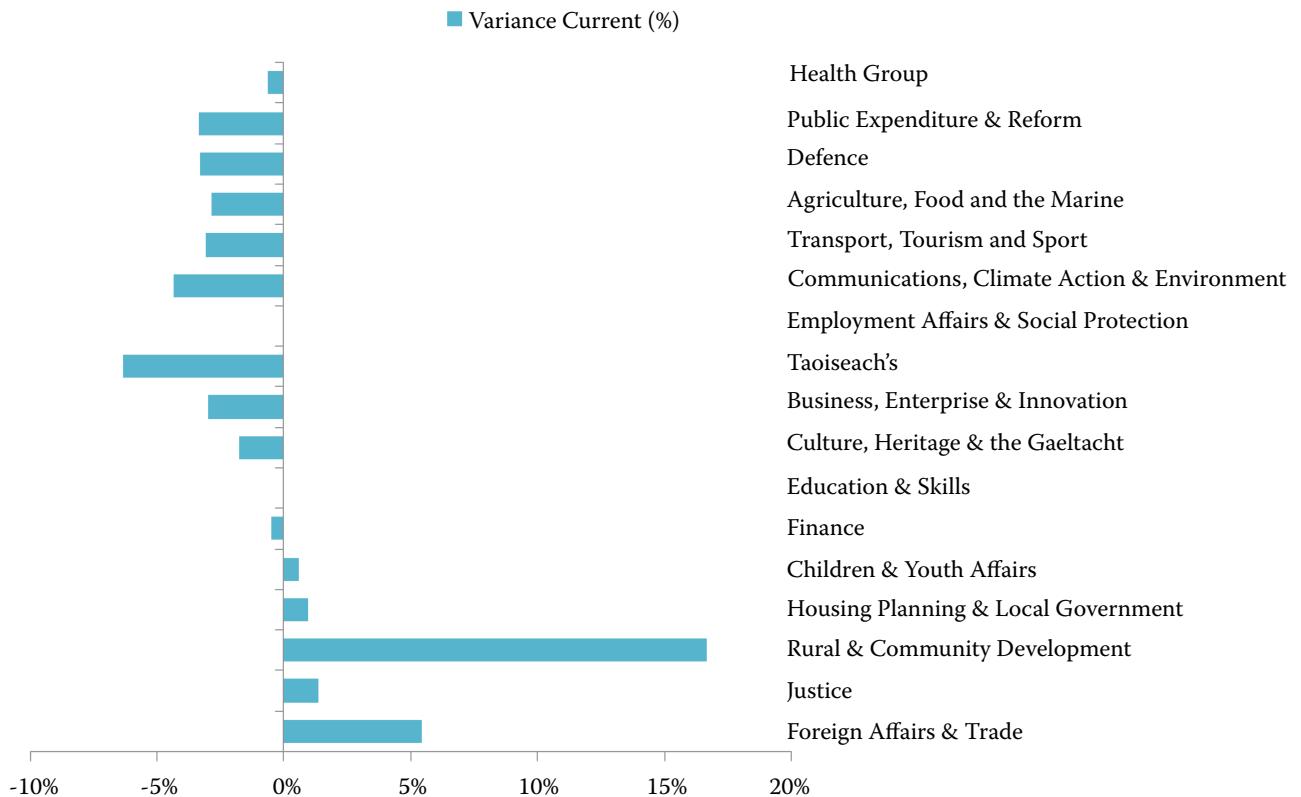
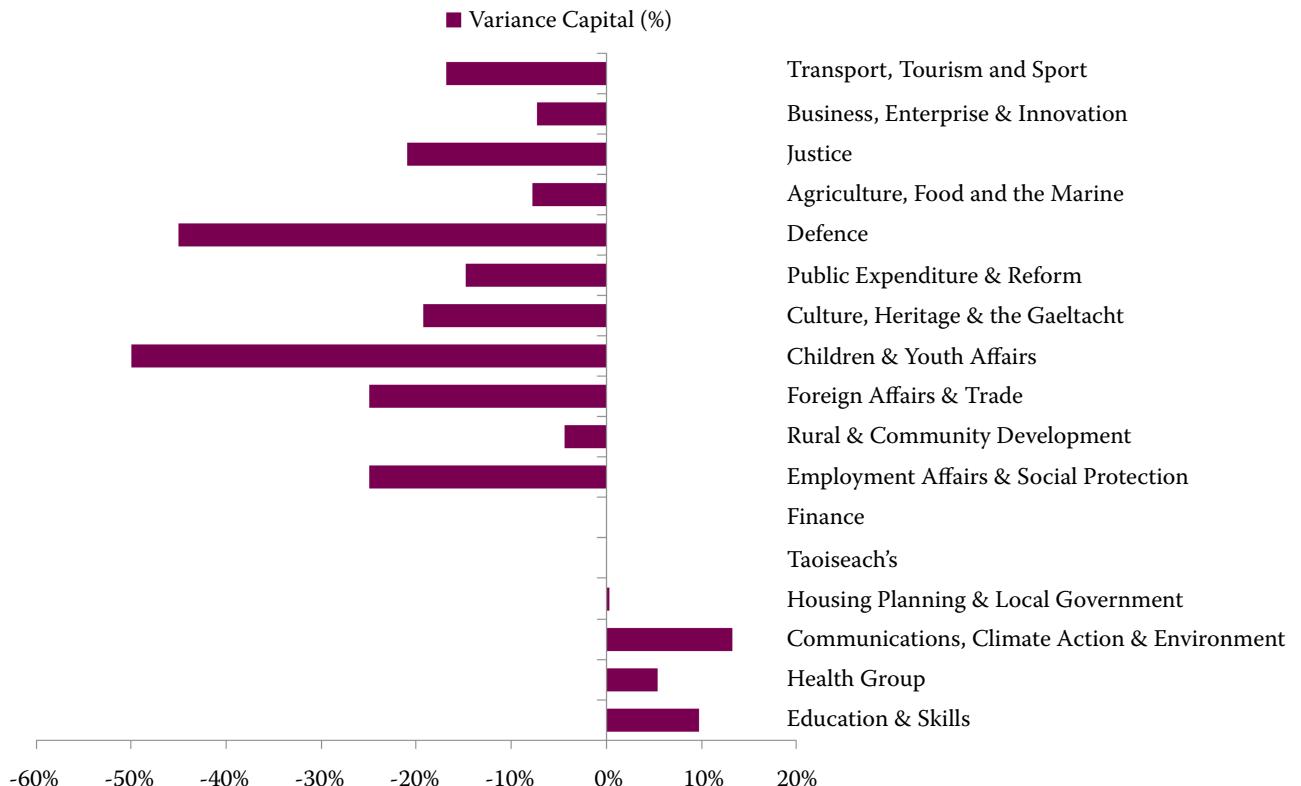


Figure 5: Variance between Actual Expenditure and Projected Expenditure by Vote Group – May 2019 (**Capital %**)





### Context

This is the second in a series of Notes to be published on a regular basis by the Parliamentary Budget Office (PBO). It relies upon data published by the Department of Finance in the monthly Fiscal Monitor, and will be published between May and December each year (with the exception of July and October when the PBO *Quarterly Economic and Fiscal Commentary* is published).

### Purpose of this Series

The purpose of this new series is to:

- Supplement the PBO Quarterly Commentary publications by providing rolling analysis of Voted expenditure trends as they emerge during the year; and
- Illustrate and comment on the difference between profiled expenditure and the actual expenditure.<sup>1</sup>

As the year progresses, it may be possible to provide more detailed commentary and analysis of emerging trends.

### Commentary

Figure 2 and Figure 4 (Current), and Figure 3 and Figure 5 (Capital), illustrate the cumulative variance of each Vote Group<sup>2</sup> from profile as at end May 2019. The aggregation of data in Vote Groups may obscure specific expenditure trends either within Vote Groups, or within Votes. This refers to ‘netting off’, whereby under-profile expenditure in a Vote (or programme) offset over-profile expenditure in another Vote (or programme). This effect can obscure significant fluctuations from profile either within a Vote Group or even within a specific Vote. The data that can be analysed and illustrated in this Note is

<sup>1</sup> Due to the practice in the Fiscal Monitor of rounding to the nearest million there may be minor differences between the % variances illustrated in this document (Figures 4 and 5) and the Fiscal Monitor. In the case of any discrepancy reference should always be made to the Fiscal Monitor, as the source document.

<sup>2</sup> A Vote Group combines one or more Votes. A Vote is a coherent area of Government expenditure which is the responsibility of a single Department or Office. The Ministerial Vote Groups are illustrated in a PBO infographic – [publication 27 of 2019](#).

restricted by the level of data presented in the *Fiscal Monitor*.

It can be expected that as the year progresses that expenditure will align more closely with profile and may, in a number of Vote Groups, exceed profile. Data and analysis as to which Votes ultimately required Supplementary Estimates in 2017 and 2018 are available in PBO Briefing Papers [2 of 2017](#) and [16 of 2018](#), respectively. However, it is as yet too early in the year to state which Vote Groups are at risk of requiring Supplementary Estimates.

Below-profile expenditure (such as exists for most Vote Groups at end May) can be viewed as an expenditure ‘buffer’. An expenditure ‘buffer’, in this context, refers to how far below profile expenditure that Vote group is. Where a buffer is not present it means that either:

- I. Expenditure is on profile; or
- II. Expenditure has exceeded profile.

Where Vote groups have a history of accelerated expenditure in Q3 and especially Q4 (the Health Vote Group, for example), a situation where there is no or little ‘buffer’ during Q2 may be an early sign that a Supplementary Estimate will ultimately be sought from Dáil Éireann during Q4 2019.

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