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Oireachtais  
Houses of the  
Oireachtas

# An Oifig Buiséid Pharlaiminteach Parliamentary Budget Office **Policy Costing Service Guidelines**

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## Séanadh

Is í an Oifig Buiséid Pharlaiminteach (OBP) a d'ullmhaigh an doiciméad seo mar áis do Chomhaltaí Thithe an Oireachtais ina gcuid dualgas parlaiminteach. Ní bheartaítear é a bheith uileghabhálach ná críochnúil. Féadfaidh an OBP aon fhaisnéis atá ann a bhaint as nó a leasú aon tráth gan fógra roimh ré. Níl an OBP freagrach as aon tagairtí d'aon fhaisnéis atá á cothabháil ag tríú páirtithe nó naisc chuig aon fhaisnéis den sórt sin ná as ábhar aon fhaisnéise den sórt sin. Tá baill foirne an OBP ar fáil chun ábhar na bpáipéar seo a phlé le Comhaltaí agus lena gcuid foirne ach ní féidir leo dul i mbun plé leis an mórfhobal nó le heagraíochtaí seachtracha.

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# 1 PBO Policy Costing Service Guidelines

## 1.1 The Parliamentary Budget Office costing service

As Members of the Houses of the Oireachtas engage in budgetary scrutiny and policy making, it is important that they are provided with an analysis of the financial implications of policy proposals.

The PBO provides Members with independent, impartial, and credible policy costing. Our policy costing analysis represents the PBO's independent assessment of the estimated impact of a policy proposal on key fiscal indicators.

This note provides a brief overview of the PBO's costing service and outlines key information for Members and their staff. This note represents an update to previous guidance issued by the PBO in respect of costings services provided by the Office. This document should be read in conjunction with Publication 4 of 2023: *An Overview of the PBO Costing Process and our Prioritisation Framework*.

## 1.2 The services offered by the PBO

The PBO provides Members with a confidential policy costing service, providing static full-year costings. This analysis may also include distributional analysis (e.g. assessing the policy impact on individual groups) if sufficiently detailed data is available, and time and resources permit.

Our costing analysis represents the PBO's independent assessment of the estimated impact of a policy proposal on revenue and/or government spending. Generally, there are four key elements of this analysis:

- The policy specification;
- The available data informing the analysis;
- The modelling, assumptions, and methodological approach to produce cost estimates; and,
- A summary of the factors affecting the reliability of the cost estimates such as uncertainty linked to data or potential behavioral responses.

To respect the impartiality of the Office in providing these services, the PBO **should not** be represented as supporting the underlying proposals and **will not** comment on the merits or otherwise of the underlying proposals.

### 1.3 Requesting assistance from the PBO

To request assistance from the PBO as part of this policy costing service, Members can submit proposals in their own right, or, if part of the broader party platform, requests should be submitted either *via* the party or group leader, or *via* the party's or group's representative as nominated by the party or group leader.

Costings requests can be withdrawn at any time. Members can submit a request for policy costing at any time *via* email at [pbocostings@oireachtas.ie](mailto:pbocostings@oireachtas.ie).

If the PBO cannot provide a response to a request due to insufficient data or resources, we will notify the Member of this. However, if some analysis can still be carried out, it may be possible for us to provide a partial analysis.

Requests should be sufficiently detailed and submitted to the PBO in good time, having regard to the resources of the Office. To assist Members in scoping their query, the PBO provides a Policy Costing Request Template which should be completed as part of the submission process. The PBO will engage with relevant individuals in scoping out a reasonable deadline for furnishing the request.

### 1.4 Policy Costing Request Template

The PBO's *Policy Costing Request Template* should be used by Members to submit costing requests. We aim to work flexibly with Members to ensure that we have sufficient information to accept requests, including information on policy details and costing parameters.

### 1.5 Quality assurance framework

In delivering the costings services outlined in this note, the PBO endeavors to provide reasonable estimates (or ranges of estimates) for policy proposals as submitted, that are communicated in an accessible and transparent way. The costings process can involve the use of multiple data sources, statistical models or techniques, and/or judgement-based assessments.

To maintain the highest possible standards of analysis, the PBO employs a quality assurance (or QA) framework that leverages the in-house expertise of multiple PBO analysts as well as external advice and expertise, where appropriate. This may extend to engagement with academic or policy experts, or colleagues from international Independent Fiscal Institutions.

More generally, the PBO is part of the broader OECD network of Independent Fiscal Institutions. Related to this, the PBO actively participates in the sharing of knowledge and best practice with international colleagues who are tasked with delivering costings services in their respective jurisdictions.

### 1.6 Response time

In our template, Members can input a "*critical response date*" or choose not to, if there is flexibility regarding the timing of the response.

If a *critical response date* is specified, the PBO will liaise with the requestor if we cannot provide a response by that date. In response, the requestor can choose to refine the scope of the request, change the response date, or withdraw their request. If no *critical response date* is specified, the PBO will provide regular updates on the progress of the request.

Members should note that certain requests may have complex data access requirements, such as revenue or social welfare microdata, which may take time to gain access to.

## 1.7 Prioritisation of requests

The PBO endeavors to ensure that all parties are given access to the costings service in a proportional and equitable way, and in the context of multiple requests from a single source, may also ask Members to highlight high priority requests or to assign an order of priority to these requests. For further information see Publication 4 of 2023: *An Overview of the PBO Costing Process and our Prioritisation Framework*.

## 1.8 Confidentiality and public release

The PBO provides services on a confidential basis, meaning that requests will be assessed and responded to in a confidential way.

As regards processing such requests by the PBO, information relevant to the request will only be given to those within the PBO who need to know for the purpose of meeting a request. Where it is necessary to consult another body, the purpose and source of the request will be treated as confidential by the PBO (only the subject matter will be shared and discussed).

The PBO reserves the right to publish details relating to the request if these are made public by Members and / or in the event that it considers its own analysis to be misrepresented. After a certain time, the PBO can also publish anonymized costings-related research and analysis. In the Policy Costing Request Template, the PBO allows Members to state any preferred restrictions on the publication of completed costing requests.

The PBO is willing to review any draft public release material to avoid the need to correct the public record if a Member's public release material does not accurately represent the PBO's response.

## 1.9 Additional information

Each year, in advance of the Budget, the PBO also endeavors to provide Revenue and Social Protection Ready Reckoner material. This includes policies that describe changes to existing tax bands and rates, and to existing social welfare payments.

Regarding infrastructure projects, these costings require highly specialised knowledge and detailed information from various sources. They are likely to be too complex for the PBO to cost accurately in the short term.

The PBO is committed to improving current methodologies and data access, and to building further economic and fiscal modelling capacity to refine its services over time.





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