



The Government's Public Service Performance Report 2022 - A PBO Analysis

Key Messages

- The ongoing reforms to the *Public Service Performance Report* (PSPR) are producing a highly useful document year-on-year; however, it highlights issues with performance reporting elsewhere. For example, the structure and quality of spending and performance information within the *Revised Estimates for Public Services* (REV).¹
- Given the REV underpins Dáil approval of spending allocations to Votes – the increasingly disjointed format of the REV is a matter of concern. The PSPR offers valuable lessons for how the REV may be revised to more clearly present spending and performance information to the Dáil.²
- The PSPR, by its nature, is a summary overview of performance information for the previous year. Key outputs for Votes and Programmes are reported but are not related to overall spending for the respective Programme. As previously highlighted by the PBO, consideration should be given to whether outputs could be associated with specific blocks of spending (subheads) and to report this in the PSPR.³ This approach would help align the PSPR and the REV.
- The development of additional performance budgeting metrics, such as Green, Equality, Well-being, as well as new additions to the PSPR, such as Sustainable Development Goal Budgeting, are welcomed by the PBO as enhancing good budgeting practices and enhance evidence-based decision making. However, it is vital for the success of each approach to ensure they are firmly embedded within Departments and the wider budgetary process. This would support optimum engagement with performance budgeting and coherently linking targets with spending.
- The PBO previously acknowledged the process of implementing and improving performance budgeting was ongoing, with links between performance metrics and financial allocations being clarified in Budget publications. However, while new measures introduced are welcome, Government must ensure appropriate measures for existing methods (e.g., Equality Budgeting) are properly embedded in Departments as part of performance budgeting before new measures should be introduced, to firmly establish each process.
- As previously outlined by the PBO, the high-level understanding of performance in given areas outlined by the PSPR provides an opportunity for Parliament to more effectively engage on issues of performance associated with public spending.

Box 1: Abstract

This paper discusses the recently published *Public Service Performance Report 2022* (June 2023) (the PSPR). This document provides a high-level overview of the PSPR to draw Member's attention to this important document, which represents ongoing efforts coordinated by the Department Public Expenditure, NDP Delivery and Reform to help enable Members of Parliament to reconcile the monies provided (and voted upon) by Dáil Éireann with information about the public services being delivered.

Further, this paper provides summary descriptions of ongoing reforms to the budgetary process (and documents); specifically: (i) Performance Budgeting; (ii) Equality Budgeting; (iii) Green Budgeting; (iv) Spending Reviews; (v) Well-being Budgeting; and (vi) Sustainable Development Goal (SDG) Budgeting.

Members looking to scrutinise performance should read this paper alongside the specific Votes in the PSPR.

¹ In Parliamentary Budget Office, *The Government's Public Service Performance Report 2019 – A PBO Analysis* (2020) the PBO also recommended that a fundamental restructuring of the *Revised Estimates for Public Services*.

² The PBO has previously highlighted that the *Revised Estimates for Public Services* (a more detailed document incorporating detailed funding allocations & a larger quantity of performance metrics) is in need of reform (see PBO, *The Government's Public Service Performance Report 2019 – A PBO Analysis* (2020) pg.2.)

³ This approach is becoming more commonplace within the *Revised Estimates for Public Services*, with performance metrics increasingly being linked to specific subheads and thereby facilitating greater understanding of the performance being delivered from specific financial inputs.



Box 2: Important Themes addressed in this Publication

Performance Budgeting:

Performance budgeting reflects an ongoing process of enhancing the understanding of the public services which are delivered, or which are targeted for delivery in future. Performance budgeting allows for consideration of how the resources provided to the public service are utilised to provide public services to citizens and others. Successful implementation of performance budgeting by the public sector should enable parliament to monitor performance relative to targets, and to thus feed into parliamentary engagement as to:

- (i) whether performance is appropriately matched to targets,
- (ii) why targets are not being met, are being met, or being exceeded,
- (iii) identify if performance can be improved through changes to policies, and
- (iv) determine if any performance issues are related to resourcing (spending or personnel).

Equality Budgeting:

Equality dimensions in this paper reflect ongoing reforms of budgetary documents to enable parliamentarians and the public to understand the activities carried out by the public service which have a significant equality impact (such as gender, disability etc).

Green Budgeting:

This paper reflects on the reforms to budgetary documents which attempt to consolidate climate and environment related spending and to illustrate the related dimension of public service delivery.

Spending Reviews:

The section outlines the development and ongoing reforms under the spending review process, which has evolved from solely focusing on achieving expenditure savings, to a wider analysis of examining efficiency and effectiveness of key departmental policies and programmes. However, the PBO notes that if Spending Review papers were aligned with performance budgeting and included performance metrics and outcomes with a focus on their effectiveness, this could encourage greater parliamentary engagement with the spending review process.⁴

Well-being Budgeting:

This paper briefly discusses Well-being Budgeting, a recent (and ongoing) reform which intends to illustrate how public service delivery impacts on non-macroeconomic metrics, ideally illustrating how public services contribute to outcomes for the public. This recent addition intends to provide a holistic set of indices to view how Irish society is doing, which will support Governments efforts to define policy challenges and assist in setting clear policy goals, by focusing on a broad range of factors.

Sustainable Development Goals (SDG):

The paper briefly discusses SDG Budgeting, another recent budget addition which aims to increase ambition and strengthen implementation structures to achieve the UN SDGs, which will help to identify current and new resources allocated to the SDG's.

All these initiatives are intended to better support decisions about the effectiveness of policies and how best to allocate resources to support the policies that best meet the needs of citizens.

⁵ Parliamentary Budget Office, *The Future of the Government's Spending Review: A parliamentary scrutiny perspective*, Publication 48 (2019), pg. 3



1. Introduction

The *Public Service Performance Report 2022* (21st June 2023) forms part of a performance budgeting framework by providing selected performance information for the 45 Votes which receive Voted allocations by Dáil Éireann. The Public Service Performance Report (PSPR) is the first opportunity for preceding year outputs to be associated with spending,⁶ by linking funding and expenditure from Departments to the results they were intended to deliver.

It is important to note the PSPR provides performance and spending data at a very high level. It presents (by Vote or group) the gross amount spent at programme level in 2022 along with a set of high-level metrics per programme. This provides a summary overview of spending and performance for a given programme for 2022, which gives useful context for more detailed examinations of spending and performance within Votes and/or programmes.

The press release for the PSPR states:⁷

The Public Service Performance Report (PSPR) is a key output of the Department of Public Expenditure, NDP Delivery and Reform each year, which provides a comprehensive account of how each Departments performed against targets for delivery of services, and the impact these services had on the outcomes they are intended to improve.

The PSPR has not been a static document since it was introduced in 2016 and has undergone several changes in recent years. Changes have previously been introduced in response to feedback from stakeholders, including the PBO – with the document being substantially revised in its 2019 iteration. New additions to the PSPR 2022 include section 5 on the Spending Review and Section 7 outlining Sustainable Development Goal Budgeting.

The *Public Service Performance Report 2022* is structured under the following headings:

- Part 1: Introduction
- Part 2: Performance by Vote
- Part 3: Equality Budgeting
- Part 4: Green Budgeting
- Part 5 Spending Reviews
- Part 6: Well-being
- Part 7: Sustainable Development Goals (SDGs)

Part 2 Performance Budgeting by Vote/Vote Group is set out in a cascading format, addressing the largest Votes first (in terms of allocation), notably Social Protection, Health and Education. The purpose is to enhance information on Departmental performance and delivery, by presenting relevant performance indicators. This structure focuses attention first and foremost on the areas in which the greatest quantum of public monies are spent.

Part 3 Equality Budgeting is a process for assessing the equality impact of budget policy and Government expenditure. This section sets out key high-level metrics, the context and impact indicators relating to Equality Budgeting by Vote (and by Programme). It also sets out a short narrative piece which describes the actions taken to achieve the outputs for 2022, actions so far for 2023, and whether the relevant targets are expected to be met in each area for the coming year.

Part 4 Green Budgeting is the use of the budgetary system to promote and achieve improved environmental outcomes. This section discusses Green Budgeting, the background to its introduction, and green improvements made to date, including the expenditure categorisation of climate outcomes in the review of National Development Plan (NDP) and the issuing of National Treasury Management Agency (NTMA) Green Bonds. The process involved the integration of climate and environmental assessment criteria in the NDP review.

⁶ The link is tentative due in part to the structure of the PSPR, and due to 2022 spending being provisional until publication of the Appropriation Accounts by the Comptroller & Auditor General in September.

⁷ gov.ie - Minister Donohoe publishes the Public Sector Performance Report for 2022 (www.gov.ie) (27 May 2023).



This section highlights the conservative interpretation of green budgeting in the *Revised Estimates for Public Services* (the REV). Green budgeting in the REV still simply categorises funding allocations as “green” if it contributes “in whole or part and directly or indirectly,” to reducing carbon emissions and promoting environmental sustainability. While this is a very useful and a necessary first step, there is still additional detail needed to understand the climate impacts of this spending. The PSPR also outlines other welcome developments, which includes how in the last three years the REV has included information on additional climate funding allocated for the coming year arising from unspent capital funding. Further detail on what the additional funding will deliver would be helpful.

However, as previously stated, merely categorising, tagging or identifying spending for Performance Budgeting is insufficient as climate related performance metrics should be associated with the spends categorised as green. It would be more useful for metrics to directly relate to the targeted reduction in carbon emissions associated with a subhead etc. The PSPR outlines the intention for the REV 2024 to introduce the classification of unfavourable climate spending related to programmes.⁸

Part 5 Spending Reviews outlines the development of the spending review process from the original value for money scope, intended to achieve savings in Departments and reduce their expenditure ceilings, to a more recent broader scope, analysing the efficiency and effectiveness of Departments’ own key policy areas and what spending is delivering. However, the PBO highlighted that if the spending review process was more aligned with the performance budgeting and included performance metrics and outcomes with a focus on their effectiveness, this could encourage greater parliamentary engagement with the spending review process.⁹ The PSPR outlines that since 2017 up to 173 papers were produced, with ongoing reforms to try increase their impact.

Part 6 Well-being Budgeting is a set of indicators designed to create a well-rounded view of how Irish society is faring, and is the most recent budgetary reform, as part of the *Programme for Government: Our Shared Future (2020)*.¹⁰ This section presents a one page, high-level overview of the recently published *Understanding Life in Ireland – Well-being Framework Analysis*. Well-being provides a holistic, multi-dimensional, way of examining Irish society across 11 dimensions and 35 indicators, by reviewing economic, environmental, social issues and quality of life measures. It provides a methodology for government policymaking when setting budgetary priorities, evaluating programmes and reporting progress, which seeks to define a clear set of policy goals.

Part 7 Sustainable Development Goals (SDG) Budgeting sets out high-level information on how to support the achievement of the SDGs. This includes examining international best practice for SDG budgeting, tracking, or tagging expenditure to achieve the SDGs using the same budgeting approach as Green or Equality Budgeting. This would allow distinction and improve transparency between SDGs currently resourced from existing policies, compared to those which are not, with the aim to begin SDG tagging in 2024. The PBO notes further detail would be beneficial on how SDG budgeting, or tagging spending, will interact with the 17 SDG goals, which are quite broad and high level.

2. Budgetary Reforms

Various reforms to budgetary data have been, or are being, implemented over the past decade. Performance Budgeting is the most established of these reforms, incorporated in every Vote within the REV 2023. More recent innovations include Gender & Equality Budgeting; Green Budgeting; Well-being Budgeting, and Sustainable Development Goal Budgeting.

Work by the EU and OECD to take stock of how effectively performance budgeting has been working in Ireland was completed in 2022.¹¹ The “key output of this was a framework to tag and track all areas of public expenditure against”¹² a range of dimensions which are being embedded, such as equality, green, well-being and SDG budgeting. Table 1 itemises the various reforms along with their timelines.

⁸ See also Laura Kevany and Niamh Foley, *Review of Fossil Fuel Subsidies and other Potentially Climate Harmful Supports* (Staff Paper, February 2023).

⁹ Parliamentary Budget Office, *Parliamentary Budget Office - The future of the Government’s Spending Review: A parliamentary scrutiny perspective - Publication 48 of 2019* (oireachtas.ie) pg. 3

¹⁰ See also Parliamentary Budget Office, *A Well-being Framework for Ireland – the Parliamentary Perspective* (2021).

¹¹ Organisation for Economic Cooperation and Development (OECD), *OECD Best Practices for Performance Budgeting* (2018)

¹² Dept. Public Expenditure, NDP Delivery and Reform, *Public Service Performance Report 2022* (27 June 2023) pg. 181



Table 1: Overview of Budgetary Reforms

Budgetary Reform	Details
Equality & Gender Budgeting	Piloted in the Revised Estimates for Public Services 2018 (December 2017), with a PBO review previously in The Gender and Equality Budgeting Pilot in the Revised Estimates for the Public Service 2018.
Green Budgeting	Introduced in the Revised Estimate for the Public Services 2019 (December 2018), reinforced with climate targets under the Climate Action and Low Carbon Development (Amendment) Bill 2021.
Well-being indicators	Derived from the Programme for Government: Our Shared Future (October 2020), with a Well-being framework published in June 2023.
Sustainable Development Goal Budgeting	Derived from the National Implementation Plan for the Sustainable Development Goals (2022) to have tagging introduced for 2024.

Source: *Revised Estimates for the Public Service, Understanding Life in Ireland: The Well-being Framework 2023, Public Service Performance Report 2022* and PBO's own analysis.

Table 2 sets out the PBO's analysis of the incorporation of these reforms (excluding Performance Budgeting) across the 45 Votes in the REV 2023. Gender is identified separately in this paper as this reform was initially introduced in 2017, with additional dimensions of equality added in 2018. Gender remains the primary component of Equality Budgeting in 17 of the 45 votes - reflected in 50 of the 114-equality metrics reported on for 2022, an increase from the 32 metrics under the PSPR 2021. A forthcoming note by the PBO will provide a high-level overview of Equality Budgeting and performance indicators in the REV 2023.



Table 2: Budget Reform Initiatives in the Revised Estimates for Public Services 2023

No.	Vote	Gender	Equality	Well-being	Green
2.	Taoiseach			✓	
7.	Office of the Minister for Finance		✓		
10.	Tax Appeals Commission		✓		
11.	Public Expenditure, NDP Delivery and Reform	✓	✓		
13.	Office of Public Works				✓
17.	Public Appointments Service	✓			
19.	Ombudsman	✓			
21.	Prisons	✓	✓		
22.	Courts Service		✓		✓
24.	Justice	✓	✓		
25.	Irish Human Rights and Equality Commission		✓		
26.	Education	✓	✓		
27.	International Co-Operation	✓	✓		✓
28.	Foreign Affairs	✓	✓		
29.	Environment, Climate and Communications		✓		✓
30.	Agriculture, Food, and the Marine	✓	✓		✓
31.	Transport	✓	✓		✓
32.	Enterprise, Trade and Employment	✓			✓
33.	Tourism, Culture, Arts, Gaeltacht, Sport & Media	✓			
34.	Housing, Local Government and Heritage		✓		✓
36.	Defence	✓			
37.	Social Protection	✓	✓		
38.	Health	✓	✓		
39.	Office of Government Procurement	✓			
40.	Children, Equality, Disability, Integration and Youth	✓	✓		
42.	Rural and Community Development	✓	✓		
45.	Further and Higher Education, Research, Innovation and Science	✓	✓		

Source: Parliamentary Budget Office based on the *Revised Estimates for Public Services 2023* (December 2022).

Note: 'Equality Budgeting' in this tables includes equality, disability and socio-economic related performance indicators.



3. Overview of Budgetary Reforms

3.1 Performance Budgeting

Performance budgeting has been kept under constant review to ensure it achieves its purpose of delivering transparency on the use of public funds. The OECD classifies four forms of performance budgeting, which are set out in Table 3.

Table 3: OECD Performance Budgeting Classification Types

Budgeting Type	Detail
Presentational Performance Budgeting	“Shows outputs, outcomes and performance indicators separately from the main budget document. This is relatively easy to achieve and is appropriate where the objective is limited to demonstrating budget allocations and actual expenditures are responsive to government’s strategic objectives and policy priorities. On the other hand, by separating performance and budget data it is harder to relate the two”
Performance-Informed Budgeting	“Includes performance metrics within the budget document and involves re-structuring of the budget document on the basis of programmes. This requires considerable effort to achieve and is appropriate for governments that want to achieve more ambitious goals such as re-prioritisation of expenditure linked to performance and increased devolution of budget control to programme managers. This is the method of performance budgeting many OECD countries adopted.”
Managerial Performance Budgeting	“Is a variant on performance informed budgeting. Here, focus is on managerial impacts and changes in organisational behaviour, achieved through combined use of budget and related performance information. This depends on a performance culture existing within government, that will take time to establish if it does not already exist.”
Direct Performance Budgeting	“Establishes a direct link between results and resources, usually implying contractual type mechanisms that directly link budget allocations to the achievement of results, implying a budgetary response to over or under-achievement of performance objectives.”

Source: OECD, *Best Practices for Performance Budgeting* (2018) pg.7-8.

As highlighted previously by the PBO, Ireland is categorised as using Performance-Informed Budgeting.¹³ However, the consistency and quality of its application, and indeed the extent of the use of performance information by Parliament are open to critique. The PSPR makes a valuable contribution by clearly and concisely displaying performance information; but embedding and developing this approach across other publications would improve the utility of performance budgeting. Lessons learned from the PSPR should be extended to other publications, this would embed performance budgeting within the overall budgetary process for both officials and parliamentarians.

There have been ongoing improvements to performance information presented in the REV, in particular, metrics are increasingly being linked to subhead(s) as appropriate. This allows for a clearer link between inputs (budget allocation) and outputs (public services provided). However, the ongoing evolution of the PSPR further highlights the challenges of presenting large volumes of spending and performance data within the REV. **Notwithstanding the challenges in this area, the reform of the REV to reflect best practice is essential given the Dáil approval of allocations (projected spending) is based on the data set out in the REV.**

As noted previously, to date, Performance budgeting has focused on outputs – utilising approaches such as the Programme Logic Model (PLM).¹⁴ However, the literature points to an increasing international focus on outcome-based budgeting (OBB). This type of budgeting recognises that outputs in themselves are not the ultimate objective, but instead are intended to progress or contribute to an outcome. As such OBB tries to capture the impact that inputs and outputs have on outcomes. While there are clear merits to budgetary reforms, the PBO cautions this approach is unlikely to succeed without first ensuring existing reforms are fully implemented and have been reviewed to ensure their appropriateness and robustness.

The PBO notes the process of implementing and improving performance budgeting is ongoing, with the link between performance metrics and financial allocations being clarified in recent Budget publications. However, while new measures introduced (e.g., Green or Well-being budgeting) are welcome, Government must ensure appropriate measures for existing methods (e.g., Equality Budgeting) are properly embedded in Departments as part of performance budgeting before new measures are introduced, to firmly establish a clear understanding of how they work.

¹³ Parliamentary Budget Office, *The Government’s Public Service Performance Report 2021 – A PBO Analysis* (2022)

¹⁴ Parliamentary Budget Office, *Performance Information and the Revised Estimates for Public Services* (2018)



The benefit of the PSPR is to provide performance information in an accessible manner and gain a high-level understanding of performance in given areas. It provides an opportunity for Parliament to more effectively, and more regularly, engage on issues of performance associated with public spending. The progression of budgetary reforms requires Members of Parliament engage with documents such as the PSPR. Engagement with the PSPR could highlight the effort required to implement reforms. Active engagement by Parliament will also make it easier to pursue further development of performance budgeting (and other budget reforms).¹⁵

3.2 Equality Budgeting

Gender budgeting was piloted in the *Revised Estimates for Public Services 2018* (December 2017). The PBO has previously discussed this pilot, setting out that:¹⁶

Definitions of Gender Budgeting vary; however, there is a broad consensus it represents a process whereby analysis is undertaken to assess the gendered impact of expenditure and revenue raising policy choices to inform policy design and implementation.

As highlighted by the PBO in its analysis of the PSPR 2021, after the initial pilot of gender budgeting, it has gradually grown over time to encompass a broader interpretation of equality, with other aspects such as disability also being incorporated. However, Gender Budgeting remains a core component of this reform - comprising the largest block of equality metrics reported in the *Revised Estimates for Public Services* and the PSPR. In practice, equality budgeting attempts to provide greater information on how proposed or ongoing budgetary decisions impact particular groups in society, thereby integrating equality concerns into the budgetary process.

As of the *Revised Estimates for Public Services 2023* (December 2022) there are now 101 high level metrics classified under the heading of Equality. These metrics are all reflected in the PSPR with the addition of output data for end-2022.

3.3 Green Budgeting

Green Budgeting was first introduced in Ireland in 2019¹⁷, with the PSPR 2022 stating it is designed “to better embed climate and environmental goals within the budgetary process, with a view to improving outcomes.”¹⁸

Green Budgeting, insofar as it has been implemented in the REV to date, has mainly focused on a presentational approach – providing a clearer view of ‘Climate-Related Expenditure’ without necessarily linking this spending to performance. While metrics and indicators within Votes may have a climate dimension, they are not explicitly identified or categorised as such.

Green Budgeting is being presented in a different format to other budgetary reforms (Performance and Equality). Rather than integrating Green Budgeting within Votes themselves in the REV, Green Budgeting initiative is presented in an additional appendix to the REV and consolidated ‘Climate Related’ or green spending in a single location. While there is admittedly a value in this approach to consolidate spending by theme, it is not immediately clear what the ‘green’ component (if any) is within a proposed allocation when scrutinising a Vote. Currently, as spending on climate is disconnected (located in an appendix to the REV) from climate metrics (if any) in the Votes themselves, there is no clear link between spending and climate impacts.

Developments intended for REV 2024 include tagging unfavourable climate spending. The PSPR states that “a potentially harmful climate support” is spending which is “likely to incentivise behaviour that increases greenhouse gas emissions, irrespective of its importance for other policy purposes”. However, the PSPR notes identifying a subhead as a potentially climate harmful support is not suggesting a programme should be halted, but merely to acknowledge the likely impacts and “where feasible, Departments and Agencies should put in place controls or complementary measures to offset or negate any potentially harmful impacts that were identified”.¹⁹ The PBO welcomes this approach as a first step to identify spending with negative climate impacts. However, further steps on how to mitigate this negative climate spending or outline how this spending is being offset with more positive climate spending elsewhere would help achieve better outcomes.

¹⁵ Engagement with the PSPR by Parliament should encourage civil servants to actively engage in performance budgeting (and other reforms). If Parliament does not utilise the PSPR there is a risk that reforms stall as a sense of urgency and significance to reforms wanes.

¹⁶ Parliamentary Budget Office, *The Gender and Equality Budgeting pilot in the Revised Estimates for Public Services 2018* (2018) pg.20.

¹⁷ First introduced in the *Revised Estimates for Public Services 2019* (December 2018).

¹⁸ Dept. Public Expenditure, NDP Delivery and Reform, *Public Service Performance Report 2022* (27 June 2023).

¹⁹ Dept. Public Expenditure, NDP Delivery and Reform, *Public Service performance Report 2022* (27 June 2023).



As noted by the PBO in 2021, developing Green Budgeting should reflect best practice, with climate related spending being linked to high quality metrics which track the intended (and ultimately delivered) performance outcomes with the monies allocated. Furthermore, the incorporation of Climate Related Budgeting solely as an Appendix in the REV fails to give climate related spending significance during the budgetary process. Further development of Green Budgeting should aim to incorporate it more centrally within the Votes thereby facilitating consideration of climate issues by the relevant sectoral committees when scrutinising the proposed spending allocations. Until such time as Green Budgeting is incorporated as an element of the Votes as presented to Committees and ultimately to Dáil Éireann, the impact of Green Budgeting is likely to be significantly hampered.

3.4 Spending Review

The *Spending Review* process has been evolving since its introduction in 2017. These are the next iteration as part of the public expenditure management framework, having developed from the previous Comprehensive Spending Review process. While that process traditionally focused on identifying potential savings, recent developments have seen the scope of spending review papers widen to focus on evidence-based policy making and making best use of resources. In total, between 2017 and 2022, 173 papers were published as part of the spending review process.

While the Spending Review process has produced useful documents interrogating areas of importance, the PBO is unclear why they have been included as part of the PSR. The Spending Reviews currently are not adding to performance budgeting and are not tied in with performance budgeting metrics. The PBO would welcome greater alignment between the Spending Review process and performance budgeting to maximise the impacts of the reviews. The PBO also notes that the quality of Spending Reviews can vary, with some acting more as an overview/summary of an issue, whereas others provide in depth policy analysis and or make recommendations for change. A better approach could be to focus less on the number of papers produced, and instead ensuring that each paper adds value and provides useful actionable material.

3.5 Well-being Budgeting

Well-being budgeting is an attempt to incorporate a broader set of measures into the budgetary process, which provide a more holistic measure of quality of life in Ireland. This approach attempts to reflect that macroeconomic indicators are not necessarily reflective of societal developments and that alternative measures may be required to “capture broader living standards, distributional outcomes, or people’s lived experiences.”

The PSR notes the recently published Well-being Framework has been incorporated into the budgetary process including references in Expenditure Reports, the *Summer Economic Statement* and a new Budget document, meaning the Well-being Framework “will now feature annually in the Budget cycle”. In addition, supporting *working papers* were published on how well-being can be developed in the context of the annual budgetary process.

As with other budgetary reforms the PBO suggests a consistent methodology/ approach be taken insofar as possible. For example, Well-being metrics incorporated in the *Revised Estimates for Public Services* and/or the PSR should conform to best practice in terms of performance budgeting i.e., the input (financial allocation) should be linked to specific subheads. These specific subheads fund particular activities which generate the outputs and ultimately the outcomes which are subject to measurement. In a budgetary context. It is important for Members of Parliament to be able to understand (i) level of resourcing (inputs in terms of €); (ii) how resources are applied (which subheads receive funding to deliver outputs being measured); and (iii) how various outputs relate and/or contribute to outcomes.

Well-being budgeting is likely to be measured in terms of outcomes (generally broader societal impacts) that may be difficult to link back to specific spending by Departments/bodies and the activities funded by it. Notwithstanding difficulties in explicitly or directly associating spending by Votes with outcomes, Departments should aim to associate their spending, activities, and outputs with the broad outcomes to which they are intended to contribute.

3.6 Sustainable Development Goal Budgeting

This section provides an overview of Sustainable Development Goal Budgeting. It outlines the National Implementation Plan for the Sustainable Development Goals 2022-2024 which is intended to “increase Ireland’s ambition and strengthen implementation structures to achieve the Sustainable Development Goals (SDGs).”²⁰ This will involve tagging expenditure to identify current and new resources allocated to achieving the SDGs.

²⁰ Dept. Public Expenditure, NDP Delivery and Reform, *Public Service performance Report 2022* (27 June 2023).



However, the PBO notes this section is very broad and does not contain much detail. Further detail should be provided on how tagging expenditure will align with the 17 specific sustainable development goals. While the PBO welcomes these initial first steps to incorporate the SDGs, it notes that previous additions to performance budgeting are still in the process of being embedded across departments, while new and additional methods are still being introduced.

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