



Seirbhís Thithe  
an Oireachtais  
Houses of the  
Oireachtas Service



# Parliamentary Budget Office (PBO)

*Demystifying scrutiny of the Revised  
Estimates for Public Services*

12 March 2021

# Presentation - Objectives

This workshop will address the:

- **Purpose** of scrutinising the Revised Estimates;
- **Structure** of a 'standard' Vote and the changes made to that structure (subheads / metrics) in the Revised Estimates 2021;
- **General lines of inquiry**; and
- An overview of **resources** to use when scrutinising the Revised Estimates.

We will then move on to a **Q&A** session but **questions are welcome at any point – just raise your hand!**

# What is the role of the Oireachtas in the Budgetary Cycle?

## Approval of tax and spending

- Constitutional role (Article 17.1 of Bunreacht na hÉireann)
    - Dáil Éireann shall consider the Estimates of receipts and Estimates of expenditure of the State for any financial year.
    - The Oireachtas shall pass Legislation to give effect to the Budget Financial Resolutions, i.e. tax changes and other changes (e.g. Social Welfare Bill).
- A PBO infographic (8 of 2020) on the role of the Oireachtas is available [here](#).

## Oversight and Scrutiny

- Are policies efficient and effective?
  - Do they achieve what the Government wants them to, in a way that ensures Value for Money (VfM)?
  - The Dáil's select committees have an important *ex ante* role.
- A PBO infographic (26 of 2020) on the role of committees is available [here](#).

## Accountability

- Was the money spent on the services it was appropriated for? If not why not?
  - Comptroller & Auditor General – Audits the appropriation accounts.
  - The Dáil's Public Accounts Committee has an *ex post* role.

# Purpose of Dáil select Committee scrutiny of the Revised Estimates

## Revised Estimates for Public Services (the 'REV')

- Dáil approval of Government's proposed spending for the range of public services for the year set out in the REV starts with committee scrutiny.
- The REV is **a high level and summary document.**
- Public services are set out with both financial and performance information.
- Arranged in 45 Votes relating to Departments/Offices.
- Set out in a relatively uniform ('standard') manner.

## Dáil Select Committees

- **Accountability and oversight role.**
- Aims to promote the effective and efficient use of public resources and the optimal range of public services.
- Democratic oversight of Government spending decisions.

## However, effective scrutiny requires...

- a consistent approach between the REV (metrics and financial allocations) and other documents and resources such as the Public Service Performance Report, Annual Reports, DPER Databank etc.

# A Member's Scrutiny Role and the Challenges

## A Committee Member's role?

- Scrutinise the Votes their Committee is responsible for (A PBO infographic (1 of 2021) is available [here](#)).
- Pose questions to and have a dialogue with the relevant Minister.

## Revised Estimates can appear inaccessible

- **Design is not user-friendly and may, at first, be off-putting.**
- A summary of the challenges the PBO faced in using the REV 2019 are set out in [Publication 9 of 2019](#).

## Support for the process

- Briefing is usually provided by relevant Departments.
- Oireachtas Committee Secretariat/PBO.

## Other challenges

- Department's briefing – length/complexity an issue.
- The PBO, in this [infographic](#) (77 of 2019) highlighted that the committees may not have enough time to analyse the Departments' briefing material.
- No role for committees in amending Estimates.

# The Structure of a 'standard' Vote: Part I

- Part I has two components:
  - (a) Estimate of the amount requiring approval of the Dáil (Blue); and
  - (b) Deferred surrender of capital moneys (Red).

[13]

*Office of Public Works*

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## OFFICE OF PUBLIC WORKS

I. Estimate of the amount required in the year ending 31 December 2021 for the salaries and expenses of the Office of Public Works, for services administered by that Office and for payment of certain grants and for the recoupment of certain expenditure.

(a) by way of current year provision

**Five hundred and one million, seven hundred and seventy-five thousand euro  
(€501,775,000)**

(b) by way of the application for capital supply services of unspent appropriations, the surrender of which may be deferred under Section 91 of the Finance Act 2004.

**Twenty million euro  
(€20,000,000)**

# The Structure of a 'standard' Vote: Part II (1)

- Part II – The programmes for this Vote are then set out in a simple table which also includes the Department's own income:
  - Aggregate programme expenditure and the Gross allocation (Blue); and
  - Appropriations-in-Aid (A-in-A) (Red) and the Net Voted allocation (Dáil approval required for the Net) (Green).

## II. Programmes under which the Subheads for this Vote will be accounted for by the Office of Public Works.

	2020 Estimate			2021 Estimate			Change 2021 over 2020 %
	Current €000	Capital €000	Total €000	Current €000	Capital €000	Total €000	
<b>PROGRAMME EXPENDITURE</b>							
A - FLOOD RISK MANAGEMENT ....	38,225	87,994	126,219	39,369	87,994	127,363	1%
B - ESTATE MANAGEMENT ....	263,153	116,055	379,208	268,357	119,055	387,412	2%
<b>Gross total :- *</b>	<b>301,378</b>	<b>204,049</b>	<b>505,427</b>	<b>307,726</b>	<b>207,049</b>	<b>514,775</b>	<b>2%</b>
<i>Deduct :-</i>							
C - APPROPRIATIONS-IN-AID....	15,000	-	15,000	13,000	-	13,000	-13%
<b>Net total :- *</b>	<b>286,378</b>	<b>204,049</b>	<b>490,427</b>	<b>294,726</b>	<b>207,049</b>	<b>501,775</b>	<b>2%</b>
<b>Net Increase (€000)</b>							<b>11,348</b>
<i>Exchequer pay included in above net total ....</i>	106,508			111,803			5%
<i>Associated Public Service employees ....</i>	2,105			2,180			4%

\* The above programmes include significant administrative and support costs for the provision of Agency Services funded by and on behalf of other Departments.

# The Structure of a 'standard' Vote: Part II (2)

- Part II then sets out:
  - Administration costs. These are the cumulative costs of administration aggregated across all programmes (Blue); and
  - Application of deferred surrender. This sets out the subheads in receipt of capital allocations carried over from the preceding year (Red).

**ADMINISTRATION**  
*Functional split of Administrative Budgets, which are included in above Programme allocations.*

(i)	SALARIES, WAGES AND ALLOWANCES	....
(ii)	TRAVEL AND SUBSISTENCE	....
(iii)	TRAINING AND DEVELOPMENT AND INCIDENTAL EXPENSES	....
(iv)	POSTAL AND TELECOMMUNICATIONS SERVICES	....
(v)	OFFICE EQUIPMENT AND EXTERNAL IT SERVICES	....
(vi)	OFFICE PREMISES EXPENSES	....
(vii)	CONSULTANCY SERVICES AND VALUE FOR MONEY AND POLICY REVIEWS	....
(viii)	GOVERNMENT PUBLICATION SERVICES	....

Gross Total :-

2020 Estimate			2021 Estimate			Change 2021 over 2020
Current	Capital	Total	Current	Capital	Total	
€000	€000	€000	€000	€000	€000	%
44,840	-	44,840	49,055	-	49,055	9%
2,310	-	2,310	2,000	-	2,000	-13%
1,300	-	1,300	1,100	-	1,100	-15%
1,800	-	1,800	1,733	-	1,733	-4%
2,880	3,502	6,382	3,080	3,502	6,582	3%
1,279	-	1,279	1,279	-	1,279	-
266	-	266	200	-	200	-25%
170	-	170	140	-	140	-18%
54,845	3,502	58,347	58,587	3,502	62,089	6%

*Subheads under which it is intended to apply the amount of €20 million in unspent 2020 appropriations to capital supply services.*

A.3 -	PURCHASE OF PLANT & MACHINERY	....
A.5 -	FLOOD RISK MANAGEMENT	....
B.5 -	PURCHASE OF SITES & BUILDINGS	....
B.6 -	NEW WORKS, ALTERATION AND ADDITIONS	....

2020		2021		Change 2020 over 2021
<i>Application of Deferred Surrender</i>				
€000		€000		%
-	-	1,500	-	-
-	-	4,000	-	-
8,000	-	2,500	-	-
-	-	12,000	-	-
8,000	-	20,000	-	-



# The Structure of a 'standard' Vote: Part III (1)

- Part III sets out the allocations to individual subheads within each programme (Blue).
- It also sets out the public service employees associated with specific subheads as well as the total public service employment associated with the programme (Red).

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

### A - FLOOD RISK MANAGEMENT

*High Level Goals: To minimise the extent of coastal and river flooding and its social, economic and environmental impacts through the implementation of effective protection and mitigation measures for at-risk areas, the provision of flood risk guidance and advice in the area of sustainable planning, and assisting the development of resilient communities.*

#### Financial & Human Resource Inputs

Numbers	
2020	2021
229	229
14	14
267	267
510	510

A.1 -	ADMINISTRATION - PAY	....
A.2 -	ADMINISTRATION - NON PAY	....
A.3 -	PURCHASE OF PLANT AND MACHINERY (Subhead G)	....
A.4 -	HYDROMETRIC & HYDROLOGICAL INVESTIGATION & MONITORING (Subhead H.1)	....
A.5 -	FLOOD RISK MANAGEMENT (Subhead H.2)	....
A.6 -	DRAINAGE MAINTENANCE (Subhead H.3)	....

Programme Total:-  
of which Pay :-

2020 Estimate			2021 Estimate		
Current	Capital	Total	Current	Capital	Total
€000	€000	€000	€000	€000	€000
11,796	-	11,796	12,903	-	12,903
2,567	158	2,725	2,409	158	2,567
-	6,470	6,470	-	6,470	6,470
1,264	-	1,264	1,272	-	1,272
4,500	81,366	85,866	4,556	81,366	85,922
18,098	-	18,098	18,229	-	18,229
<b>38,225</b>	<b>87,994</b>	<b>126,219</b>	<b>39,369</b>	<b>87,994</b>	<b>127,363</b>
27,507	-	27,507	28,809	-	28,809

# The Structure of a 'standard' Vote: Part III (2)

- For each programme there are Key Outputs and Public Service Activities.
  - Primarily, this section should set out performance information under Key High Level Metrics (Blue). **Ideally these are associated with Subheads – allowing the linking of allocated funding with performance (Red).**

## Key Outputs and Public Service Activities

Key High Level Metrics

A.5



A.6

No. of (a) major Flood Relief Schemes substantially complete, and (b) properties to benefit from these schemes on completion

No. of major Flood Relief Schemes to commence, and properties to benefit from these schemes on completion

Distance of Arterial Drainage Channels to maintain

Distance of Flood Defence Embankments to maintain and refurbish

	2019 Output Outturn (2019 Output Target)	2020 Output Target	2021 Output Target
No. of (a) major Flood Relief Schemes substantially complete, and (b) properties to benefit from these schemes on completion	2 (4)	5	5
No. of major Flood Relief Schemes to commence, and properties to benefit from these schemes on completion	100 (1,192)	2,436	1,922
No. of major Flood Relief Schemes to commence, and properties to benefit from these schemes on completion	2 (6)	4	7
Distance of Arterial Drainage Channels to maintain	358 (1,235)	964	2,300
Distance of Arterial Drainage Channels to maintain	2,135km (2,031km)	2,075km	2,061km
Distance of Flood Defence Embankments to maintain and refurbish	95 km (135.29km)	133.35km	132.8km

Publish Documents

	2019 Output Outturn	2020 Output Target	2021 Output Target
- Climate Change Sectoral Adaptation Plan for Flood Risk Management			

# The Structure of a 'standard' Vote: Part III (3)

- Part III will then set out Context and Impact Indicators.
  - Context and Impact Indicators are used to place the performance metrics in context and to illustrate the longer term effects of programmes.
  - **Votes frequently confuse** Key High Level Metrics and Context and Impact Indicators.

## *Context and Impact indicators*

- 1- Number of major flood relief schemes completed
- 2- Number of major flood relief schemes commenced
- Benefit of completed Flood Relief Schemes:
- 3- Number of Properties  
Damage/Loss avoided (€)
- 4- Level of funding provided to Local Authorities (minor works)
- 5- Number of Local Authority projects funded (minor works)
- 6- Distance of Arterial Drainage Channels to maintain
- 7- Distance of Flood Embankments to maintain/refurbish

<i>2017</i>	<i>2018</i>	<i>2019</i>
4	2	2
2	2	2
1,579 €184m	347 €37m	100 €20m
€2.4m	€1.816m	€4.4m
59	55	66
2,093	2,093	2,135
110.45	117.21	95

# The structure of a 'standard' Vote: Part III (4)

- Each Vote will conclude with a breakdown of its Appropriations-in-Aid.
  - **Appropriations-in-Aid (A-in-A)** are the Department's own-generated income which the Vote can retain. Discussed in [PBO Note 18 of 2018](#).
  - Examples include passport fees (Department of Foreign Affairs).
  - A-in-A are offset against the **Gross Allocation** of a Vote (projected spending). This provides the **Net Allocation** which represents the funding required from the Exchequer and which requires Dáil approval.

Details of Appropriations-in-Aid

C. - APPROPRIATIONS-IN-AID:

1.	Rents, Licence Fees etc	....
2.	Events and Facilities Management	....
3.	Receipts for Government Publication Services	....
4.	Sales at National Monuments and Historic Properties	....
5.	Admission Charges at National Monuments and Historic Properties	....
6.	Miscellaneous, including fees, interest and disposals etc	....
7.	Receipts from Additional Superannuation Contribution on Public Service Remuneration	....

2020 Estimate			2021 Estimate		
Current	Capital	Total	Current	Capital	Total
€000	€000	€000	€000	€000	€000
3,150	-	3,150	3,630	-	3,630
2,500	-	2,500	1,400	-	1,400
630	-	630	570	-	570
1,100	-	1,100	700	-	700
4,633	-	4,633	4,000	-	4,000
600	-	600	600	-	600
2,387	-	2,387	2,100	-	2,100
15,000	-	15,000	13,000	-	13,000

# Some Votes **do not** follow the standard approach

## Some Votes Atypical

- Non-Standard Programme structure
  - In particular, Health and Social Protection
- Extra-Budgetary Funds
  - Social Protection – the [Social Insurance Fund](#) (PBO Note 21 of 2018).
  - Further and Higher Education, Research, Innovation and Science – the [National Training Fund](#) (PBO Note 22 of 2018).

## Equality Budgeting

- Part III - Equality Budgeting Objectives & Performance Indicators
  - Set out in a separate section in selected Votes.
  - [PBO Briefing Paper 4 of 2018](#) sets out further context.

## Climate Related Expenditure

- Appendix 8 of the Revised Estimates.
  - Details by Vote, Programme, and Subhead, of the climate related expenditure of five Votes.
  - [PBO Briefing Paper 12 of 2018](#) sets out further context.

# When considering the **Spending** proposed in the Estimates and the **Questions to pose**, Members should consider (1):



What are the major spending areas in a Vote? Does this reflect the policy priorities of the Government and/or the citizen?



Is it clear what the money in an area/programme is being spent on? – public sector wages, goods, services, supports for individuals, supports for business, etc.



Are one or more areas experiencing a disproportionate level of increase/decrease in funding? Is it clear what is driving these changes?



What is the money actually purchasing from the perspective of the citizen? – e.g. spending on health staff and equipment is funding health services for the public i.e. operations, consultations, etc.



Are there new budget lines or new policies funded? What is driving the addition of these lines/policies? Are they linked to Government strategy in the area?



Is the new line/policy permanent or temporary? Is there a clear timescale for delivery of the new policy? What evidence justifies the new policy?

# When considering the **Performance Information** in the Estimates and the **Questions to pose**, Members should consider (2):



What is the ultimate goal for the spending, what does it seek to achieve – i.e. the goal of public health expenditure is to improve population health. How are we measuring that achievement?



Is the range of metrics sufficient to describe the majority of output for that spending? Are those metrics of a high quality? i.e. are they SMART (Specific, Measurable, Achievable, Relevant, and Time-bound)?



Can we measure what is being purchased? – i.e. outputs – the number of operations, number of consultations, etc. Is that indicator going up in line with the budget increase?



Do the metrics encompass a significant proportion of spending in the relevant programme?

- It is often unclear how a metric or metrics are linked to a subhead or subheads (i.e. the money) in a Vote.
- In the Revised Estimates 2021, some Votes made significant progress by setting out clear links between subheads and Key High Level Metrics.

# Performance Budgeting in action: Vote 34 – Housing, Local Government and Heritage

- A number of Votes have made progress on providing transparency around budgeted spending by linking metrics to specific subheads.
- The Housing Programme (A) in Vote 34 provides a good example of this improved approach to performance budgeting. The programme’s goal is *“To provide for a stable and sustainable supply of good quality housing”*.
- By way of example, metrics are provided around the various methods of housing provision funded through Programme A. Specific metrics relating to supply of units via current funding and capital funding are set out, with the relevant subheads from where the funding is allocated listed alongside the metrics.

## Key Outputs and Public Service Activities

### Key High Level Metrics

A.3 – A.29	Total no. of social housing needs met
A.4, A.5, A.6	Total no. of additional social housing units to secure through Current Funded Programmes

2019 Output Outturn (2019 Output Target)	2020 Output Target	2021 Output Target
28,075 (27,360)	27,517	28,550
19,229 (19,490)	18,981	18,250

- Additional metrics provide more granular detail as to how much the specific subheads contribute to the overarching goal (and outputs).
- While the data presented is quite complex and does not always provide an unambiguous linkage between inputs and outputs, it does represent a significant improvement in the quality and formatting of the data presented in the Revised Estimates. [PBO Note 25 of 2018](#) explains why the linkage between inputs, outputs and outcomes is important when using performance information to scrutinise Voted spending.



# Other areas to analyse using Revised Estimate data:

## Public sector numbers:

Overview of staffing in Part II and a breakdown in Part III. Depending on the Vote this can be very important – in Health and Education, for example, paying for staff can consume most of the voted spending.



## Appropriations-in-Aid:

Department's own revenue - how significant is it and is it changing substantially? How reliable is it? Are there any factors that suggest the target won't be met? If so, how will the deficit be addressed?



## Capital vs. Current expenditure

Is there a significant change in the current / capital mix? How quickly is capital expenditure increasing? What is driving the change?

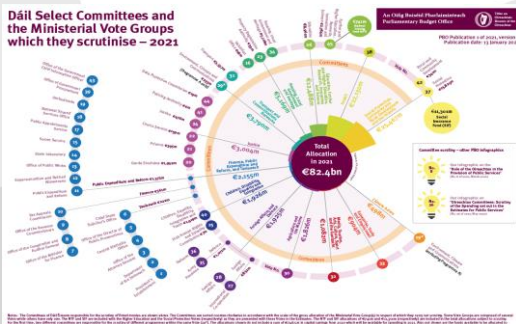
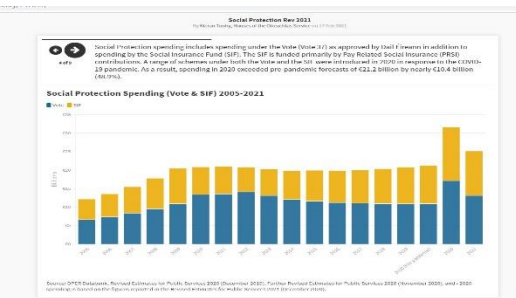
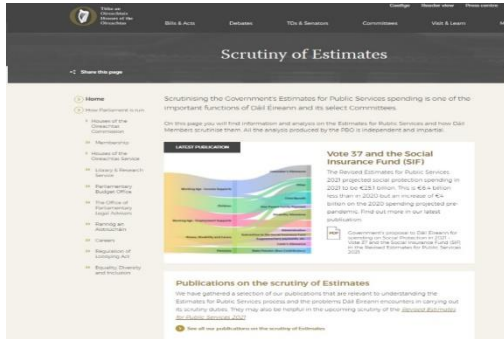


## Net v Gross:

Performance metrics relate to the Gross allocation. How much of the activities and services described are funded from the net monies approved by Dáil Éireann?



# Essential PBO Publications I



- All of the PBO publications that are of ongoing relevance to scrutiny of the Estimates, in addition to the publications we have provided in relation REV2021, are available in a new, dedicated [module](#) on our [webpage](#). A selection are set out here:
- [Data visualisations](#) which summarise key information from many Votes (usually those in receipt of the largest allocations) as well as [infographics](#);
- [Performance Information and the Revised Estimates for Public Services](#) (November 2018); and
- [A Guide to the Structure of Votes in the Revised Estimates for Public Services 2020– Vote 13 \(Office of Public Works\) as a model](#) (July 2020) and a [data visualisation of that vote](#).
- Older (and longer) publications may still be useful in informing your approach to analysis and production of briefing for Committees.
- [PBO Analysis of the Supplementary Estimates for Public Services 2019](#) (December 2019); and
- [Revised Estimates for Public Services 2019](#) (February 2019).

# Essential PBO Publications II

- We have published a number of notes on Votes that are atypical as well as issues that are shared across Votes. Some key examples are:
- [\*The Local Government Fund and Vote 34 in the Revised Estimates for Public Services\*](#) (November 2018)
- [\*The National Training Fund\*](#) (November 2018)
- [\*The Social Insurance Fund and Vote 37 in the Revised Estimates for Public Services\*](#) (November 2018)
- [\*Public Sector pensions in the Revised Estimates for Public Services\*](#) (September 2018)
- [\*Appropriations-in-Aid in the Revised Estimates for Public Services\*](#) (September 2018)

# Resources from Other Bodies

- DPER's [Budget 2021: Expenditure Report](#);
- IGEES – especially the [Spending Review](#) papers;
- The House of Commons [Better Financial Scrutiny: A Guide for Select Committees](#) gives a general description of applied policy scrutiny within an Estimates process;
- The [DPER Databank](#);
- L&RS, [Parliamentary scrutiny of government performance](#) (2016);
- The Comptroller and Auditor General's [Appropriation Accounts](#) often contain detailed but very clear explanations of what can otherwise be complex and opaque aspects of a Vote; and
- [Public Service Performance Report](#) (DPER).
- The PBO also recommends reading relevant publications it has published and looking at data sources used therein to find resources that are targeted to specific Votes.