



Northern Ireland
Assembly

Research and Information Service Research Paper

Paper 90/14

3 September 2014

NIAR 248-14

Pamela Dugdale and Colin Pidgeon

In-year monitoring of public expenditure: an analysis of departmental bid documentation

This Research Paper examines the Northern Ireland Executive's In-year Monitoring process for the control of public expenditure. It sets out the purpose and operation of the system. It also presents key results of an analysis undertaken by the Research and Information Service (RaISe) of the in-year bids by departments for additional resources.

Contents

Departmental abbreviations.....	5
Key points	6
Introduction	8
1. The In-year Monitoring process	9
1.1. The purpose of In-year Monitoring.....	9
1.1.1. The role of the Assembly.....	10
1.1.2. The October 2014-15 Monitoring Round.....	11
1.2. The scale of In-year allocations	11
1.3. Rules and requirements in relation to bids.....	12
1.3.1. The <i>de minimis</i> threshold	13
1.3.2. Impact on Programme for Government (PfG) commitments and departmental objectives.....	13
1.3.3. Statutory equality obligations, anti-poverty and social inclusion.....	15
1.4. Prioritisation of bids	16
1.5. Department of Justice and Department of Health Social Services and Public Safety flexibilities.....	17
1.5.1. DHSSPS.....	17
1.5.2. DoJ	21
2. Analysis of departmental In-year bid documentation.....	23
2.1. Summary information	23
2.2. Compliance with guidelines	26
2.2.1. The <i>de minimis</i> threshold	26
2.2.2. Linkage with Programme for Government/departmental objectives	26
2.2.3. Equality and poverty impacts	27
2.2.4. Bid prioritisation	30
2.2.5. Bids and allocations by monitoring round.....	31
3. Concluding remarks.....	33

Departmental abbreviations

DARD	Department of Agriculture and Regional Development
DCAL	Department of Culture, Arts and Leisure
DE	Department Education
DEL	Department of Employment and Learning
DETI	Department of Enterprise, Trade and Investment
DFP	Department of Finance and Personnel
DHSSPS	Department of Health, Social Services and Public Safety
DOE	Department of the Environment
DOJ	Department of Justice
DRD	Department of Regional Development
DSD	Department of Social Development
OFMDFM	Office of First Minister and Deputy First Minister

Key points

- The In-year Monitoring process from 2011-12 to 2013-14 has resulted in significant shifts in resources from those initially agreed by the Assembly at *Budget 2011-15*. For instance, during 2013-14 more than a third of a billion pounds of resources were allocated through the three Monitoring Rounds (section 1.2.);
- Over and above the regular Monitoring Rounds, there have been four major realignments of departmental allocations (section 1.1.);
- The In-year Monitoring process has taken on additional significance during the 2014-15 year because it has been used to apply baseline reductions to departmental budgets. The June Monitoring Round reduced resource budgets by a total of £77.9 million. The Minister of Finance and Personnel has also signalled that a further £87 million may be deducted through the forthcoming October Monitoring Round;
- The Research and Information Service (RaISe) undertook an analysis of departmental bid documentation. Its findings highlight some inconsistency in departments' adherence to the requirements of DFP guidelines. (section 2.2.);
- RaISe's analysis of the priority attached by departments to bids for resources, and the proportion of those bids that are successful (in terms of value, rather than number of bids) indicates a fairly weak relationship between priority level and likelihood of bid being met (section 2.2.4);
- A slightly higher proportion (in terms of value, rather than number of bids) of bids made in October and January are successful than in June (section 2.2.5.)
- Some departments exhibit a much higher propensity to bid in-year than others. This may simply reflect – in whole or in part - the nature of departmental functions and activities:
 - it may be a reflection of a department's ability to spend resources in-year;
 - alternatively, a high level of bidding may be viewed as a possible indicator of poor budgeting and financial control; or,
 - there may be a question about the adequacy of a department's initial baseline. For example, DRD submitted both the highest number of bids, and the largest monetary value of bids. Arguably, this could be read as an indication that DRD's initial baselines were too low in the Executive's *Budget 2011-15* (section 2.1.);

- RaISe's analysis of bid documentation shows inconsistency in the provision of information in relation to the equality and poverty impacts of proposed expenditure. This potentially suggests that departments have not mainstreamed the assessment of the equality and poverty impacts of in-year bids (section 2.2.3.);
- In addition, it shows that a failure to provide equality or poverty impact information does not preclude a bid from being successful;
- Information about the linkage between bids for resources and the Programme for Government is frequently not included in bid documentation; the absence of such linkage information appears not to preclude a bid from being successful. Moreover, when it is included, such information is often insufficiently detailed for a lay reader to understand how the money spent will contribute to the delivery of targets. (section 2.2.2.)

Introduction

This Research Paper is prepared for the Assembly's statutory committees. It outlines key findings and related lines of questioning, and aims to further enable their scrutiny of the Executive's/departments' stewardship of public money and related decision-making during the In-year Monitoring process.

The Paper examines the bid documents submitted by Northern Ireland departments as part of the In-year Monitoring process. The system of In-year Monitoring allows the Northern Ireland Executive to reallocate resources as needs arise or as priorities change. The bid documents considered in this Paper support departmental requests for additional resources during the fiscal year.

The first part of the analysis undertaken by RaISe is based upon the rules for bids that are contained in the DFP's *In-year Monitoring of Public Expenditure: 2014-15 Guidelines*.¹ These rules provide a framework to assess the quality of the bid documentation. RaISe's analysis initially looks at the extent to which departments' bid documents meet the requirements specified in DFP's guidance.

The second part of its analysis examines the priority attached to the departmental bids that were either fully or partially met by the Executive. The purpose of this part of the exercise is to assess whether all additional resources available through the In-year Monitoring Process are allocated to the highest-priority bids.

In January 2014, RaISe requested from all Northern Ireland departments copies of their submitted bid documentation for the current 2011-15 budget period. RaISe's analysis is based on the information provided by all Northern Ireland departments, with the exception of the DCAL, which to date has failed to provide such information to RaISe despite repeated requests.²

The Research Paper is structured in the following way:

- Section 1 establishes context by recapping on the purpose of the In-year Monitoring Process and the key rules for how it operates;
- Section 2 presents key findings of RaISe's analysis of departmental In-year Monitoring bids between the June 2011-12 and January 2013-14 Monitoring Rounds; and,
- Section 3 briefly provides some concluding remarks.

¹DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website.

²The information was provided to RaISe on 10 September 2014, after the completion of this Paper.

1. The In-year Monitoring process

This section outlines the purpose of the In-year Monitoring process and the role of the Assembly. The level of allocations made through the process is shown. The Paper then highlights relevant provisions of DFP's guidelines in relation to the documentation required to support bids. It also details the special arrangements for the Department of Health, Social Services and Public Safety (DHSSPS) and the Department of Justice (DoJ) in the In-year Monitoring process.

1.1. The purpose of In-year Monitoring

The Assembly voted on 9 March 2011 to approve the four-year spending allocations set out in *Budget 2011-15*.³ These allocations have subsequently been modified on four occasions:

- capital budgets were realigned in February 2012;⁴
- there was a further realignment of 2013-14 and 2014-15 budget allocations in January 2013;⁵
- a further capital realignment was conducted in October 2013 for the 2014-15 year;⁶ and,
- resource DEL baselines were reduced in the June 2014-15 Monitoring Round.⁷

Outside these major realignment exercises, the In-year Monitoring process:

*...provides a formal system for reviewing spending plans and priorities for each financial year in light of the most up to date position [sic].[...] It therefore aids good financial management and ensures that resources are directed towards the highest priority areas.*⁸

In other words, In-year Monitoring allows the Executive to:

- adjust the allocation of resources set out in the multi-annual budget in relation to emerging expenditure pressures; and/or,
- reprioritise the use of resources which are no longer required for the purpose originally allocated.

³Official Report <http://archive.niassembly.gov.uk/record/reports2010/110309.htm#a4>

⁴Official Report <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-11-12/14-February-2012/#a1>

⁵Official Report <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-12-13/22-January-2013/>

⁶Official Report <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-13-14/21-October-2013/>

⁷Written Statement by the Minister of Finance and Personnel <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Written-Ministerial-Statements/Department-of-Finance-and-Personnel--2013-14-Provisional-Outturn2014-15-June-Monitoring-Round/>

⁸DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RalSe as it is not yet published on the DFP website. (paragraph 2.2.)

In relation to the first bullet point, DFP's guidelines state that "*departmental priorities may change over the 4 year period due to unforeseen factors*".⁹ This may imply that the In-year Monitoring process should be used primarily to address unforeseen factors.

The Minister of Finance and Personnel has also signalled that there may be a further reduction to departmental resource DEL baselines in the October 2014-15 Monitoring Round.⁶

1.1.1. The role of the Assembly

The three In-year Monitoring rounds (held in June, October and January) therefore provide an opportunity for the Assembly's statutory committees to engage with their departments on the developing in-year financial position. Monitoring rounds are a key opening for committees to discharge their scrutiny functions in relation to departmental expenditure plans. They may also be a time for committees to exercise influence over the prioritisation of resources.

The indicative In-year Monitoring timetable for 2014-15 is as follows:¹⁰

	June	October	January 1 st stage	January 2 nd stage
Departmental Returns to DFP	5 June	2 October	4 December	2 January
Executive Meeting	19 June	16 October	N/A	8 January
Assembly Statement	23 June	20 October	N/A	12 January

Most statutory committees receive routine briefings from departments in advance of the In-year Monitoring rounds. This Paper seeks to further enhance committees' engagement with departments by providing a detailed and comprehensive evidence base upon which to build lines of questioning.

In addition, there is a legitimate and specific role for the Committee for Finance and Personnel to examine the operation and effectiveness of the In-year Monitoring process. In particular, DFP notes in its 2014-15 guidelines that:

The Assembly looks to the Department of Finance and Personnel to meet its expectations in this area in a transparent, responsible and consistent fashion. It will therefore expect that departments adhere fully to the guidance and standards set out in the [In-year Monitoring guidelines].¹¹

⁹ DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraph 2.1)

¹⁰ DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraph 3.5)

¹¹ DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraph 1.1.)

1.1.2. The October 2014-15 Monitoring Round

Based on available information at the time of writing, it seems probable that the October 2014-15 Monitoring Round will be used to apply further reductions to Northern Ireland public expenditure. But Executive decisions are still to be made in this area. For more detail on this issue, refer to RaISe paper *In-year Reductions to Departmental Resource DEL: the October 14-15 Monitoring Round*.¹²

1.2. The scale of In-year allocations

Table 1 below shows the total funding allocations made through the In-year Monitoring process during the 2011-15 budget period, up to the January Monitoring Round 2013-14. This helps to establish that the sums allocated are large: allocations made in-year during 2011-12, 2012-13 and 2013-14 have all exceeded £100m in total. The figures were extracted from the Minister's Monitoring Round Statements to the Assembly.

Members should note that these figures **exclude the following transactions**:¹³

- **technical adjustments.** Technical adjustments are the movements of resources between departments in relation to a transfer of functions. Budget cover is transferred from the department which originally delivered the function to the new department. The amount given up by the originating department matches the amount given to the receiving department, so there is no net impact;
- **reductions and reallocations.** Reductions and reallocations relate to transfers *within* departments, from one business area to another. There is no net impact on the inter-departmental position. Having said this, reductions and reallocations within departments are a valid and legitimate area for scrutiny by committees. But they are outside the scope of this Paper;
- **reclassifications.** Reclassifications are where resources are switched from one category to another. For example, non-ringfenced resource funds reclassified as capital category expenditures, within the same department, or from administration to frontline services. Such reclassifications may represent a shift from expenditure on salaries or other administrative expenditure to investment, or vice versa; and,
- **ringfenced resource.** Ringfenced resource funds generally relate to accounting items such as depreciation or impairments. These funds may not be allocated to other purposes.

¹²Unpublished at time of writing. Available to MLAs as part of the pack provided by RaISe for member development workshop sessions delivered to NIA committees during September 2014.

¹³For more information, refer to DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website.

Table 1: allocations made during Monitoring Rounds June 11-12 to January 13-14¹⁴

Monitoring Round	Allocations (£m)	
	Resource	Capital
June 2011-12	29.2	3.3
October 2011-12	45.9	25.4
January 2011-12	20.6	11.4
Total 2011-12	95.7	40.1
June 2012-13	53.1	44.9
October 2012-13	38.2	37.8
January 2012-13	21.8	20.7
Total 2012-13	113.1	103.4
June 2013-14	80.6	115.9
October 2013-14	43.5	36.8
January 2013-14	37.9	26.6
Total 2013-14	162.0	179.3

One immediate observation that may be made about Table 1 is that the level of reallocations has increased significantly during the lifetime of *Budget 2011-15*. **In 2013-14 more than a third of a billion pounds in funding was allocated through the In-year Monitoring process.** This underlines the significance of In-year Monitoring within the prevailing Public Finance Framework in Northern Ireland under the devolution arrangements, and the need for the Assembly to scrutinise how the Executive operated the process.

1.3. Rules and requirements in relation to bids

As noted above, for each fiscal year, DFP issues guidelines to departments on the operation of the In-year Monitoring process. The latest version, dated 31 March 2014, sets out the procedures and requirements for the bidding process 2014-15.

Departments may submit bids for additional resources in response to emerging expenditure pressures or to allow them to expand or begin a programme or project.

The 2014-15 guidelines state that bids identified by departments will **only** be considered as part of the monitoring process if they:

- *are above the de minimis threshold (unless exceptional circumstances apply [...]);*
- *clearly demonstrate the potential impact on the Executive's Programme for Government commitments;*

¹⁴ Source: tables provided in Minister of Finance and Personnel's statements to the Assembly, available on the DFP website at: http://www.dfpni.gov.uk/publications-foi/publications-browse/publication-scheme-services-we-offer/media_releases/pubs-ministers-prepared-speeches/speeches-statements-archive.htm (accessed 20 August 2014)

- *are consistent with departmental aims, objectives and priorities and contribute to the achievement of departmental targets; and,*
- *comply with the statutory equality obligations and the need to consider the implications in terms of anti-poverty and social inclusion.*¹⁵

These four requirements provide the framework for the first part of RaISe's review of departmental bid documentation presented in this Paper. Some additional clarification of each requirement is provided in the following sub-sections. In addition, the methodology applied by RaISe for assessing compliance with each requirement is explained.

1.3.1. The *de minimis* threshold

The *de minimis* threshold is the level over which a bid will be considered by the Executive. Currently, the threshold is £1 million. Bids below £1 million are not routinely considered unless there are exceptional circumstances; generally departments are expected to address below-threshold pressures from within their existing allocations.

'Exceptional circumstances' are not defined, but the 2014-15 guidelines require that:

*Departments must provide details of the exceptional circumstances that apply when submitting such bids for consideration.*¹⁶

The documentation which departments are required to submit in support of their bids contains a box entitled '*Exceptional circumstances for bids below £1m*'. As part of its analysis of bid documentation, RaISe has examined bids below the *de minimis* threshold to assess if explanations of 'exceptional circumstances' have been provided (see 2.2.1 below).

1.3.2. Impact on Programme for Government (PfG) commitments and departmental objectives

DFP's 2014-15 guidelines require that departments indicate how any resources for which they are bidding relate to key priorities:

One of the overriding concepts of Resource Accounting and Budgeting (RAB) is the linking of expenditure to public service objectives and targets. It will therefore be important to demonstrate the impact of the proposal on the key commitments set out in the Executive's Programme for

¹⁵DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraph 5.14)

¹⁶DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraph 5.15)

*Government 2011-15. It will also be important to set out how the proposal will contribute towards the department's own objectives.*¹⁷

The documentation which departments submit in support of their bids contains a box entitled '*Impact on key departmental objectives and targets*', which appears at some point to have been retitled '*Impact on PfG targets if met*'. As part of its analysis of bid documentation, RalSe has examined the information provided by departments in relation to impact on targets (see 2.2.2. below). For reference, a blank bid proforma is attached as Appendix 1.

It is not immediately clear from an initial read of the bid documentation how a DFP official (or anyone else) would know whether a particular bid is consistent with departmental objectives. Apart from anything else, the retitled box on the form to 'impact on PFG' (Programme for Government) appears to have removed the scope for departments to demonstrate the impact on their own objectives and targets.

It may be that there is an alternative source of this information. Nevertheless, in the apparent absence of such information this point may be of particular note. A 2007 review of departmental forecasting and monitoring commissioned by DFP from consultancy firm PKF (the PKF review) suggested that "*greater scrutiny of the link between performance [...] and related resource bids*"¹⁸ would help ensure that budgets are more accurately linked to the outcomes envisaged. Such linkage would appear to be important in relation to the Minister of Finance and Personnel's view that, because of the constrained public expenditure environment, it is important to "*get better outcomes*"¹⁹ from the work of public servants.

The PKF review further stated that:

*Greater accountability in relation to finance and performance [...] from the Board level downwards, ensuring that those responsible for delivering programmes, and using resources, are held accountable for those aspects of performance that are not in line with those agreed at the time of the budget allocation.*²⁰

This recommendation is in line with the ethos of getting better outcomes from public expenditure. For this reason, it seems sensible for the Assembly to scrutinise the linkages between departmental bids and objectives.

¹⁷DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RalSe as it is not yet published on the DFP website. (paragraph 6.12)

¹⁸ PKF (2007) 'Review of Forecasting and Monitoring' available online at: http://www.dfpni.gov.uk/07_0614_dfp_update_v.2.2_final_-2.pdf (accessed 14 August 2014) (see page 29)

¹⁹Official report, 9 June 2014.

²⁰ PKF (2007) 'Review of Forecasting and Monitoring' available online at: http://www.dfpni.gov.uk/07_0614_dfp_update_v.2.2_final_-2.pdf (accessed 14 August 2014) (see page 35)

1.3.3. Statutory equality obligations, anti-poverty and social inclusion

DFP's 2014-15 guidelines require that departments' bids:

...must contain the relevant information on the equality and anti-poverty implications [...]. Any item without this information will not be accepted or considered during the monitoring process and will be returned to departments.²¹

It is therefore reasonable to expect that the bid documentation would indeed include such information. Certainly, the documentation which departments submit in support of their bids does contain a box entitled 'Impact on Statutory Equality Obligations and Anti-Poverty'. This part of the bid documentation provides departments with the opportunity to report the findings of a High-level Impact Assessment (HLIA). The HLIA form was designed and agreed by the Equality Commission:

...for the purposes of mainstreaming equality considerations arising from statutory equality duty in s75(1) of the Northern Ireland Act 1998 into the Priorities and Budget Process. It does not use the detailed s75 [Equality Impact Assessment] EQIA methodology, as it is designed for use at a higher level and earlier in the process than a full EQIA.²²

For reference, a blank HLIA proforma is attached as Appendix 2.

The notes to the HLIA pro forma require the classification of proposals into one of the following categories:

- 3** *Major and very positive equality impacts supported by evidence.*
- 2** *Positive equality impacts, supported by evidence.*
- 1** *Minor positive equality impacts or assertion of positive impacts unsupported by any evidence.*
- O** *Neutral equality impacts*
- N** *Negative equality impacts which require justification.²³*

Importantly, the notes also include the following statement:

*...a positive impact on the whole population is not a positive equality impact. The form seeks information about positive and negative **differential impacts** on equality, in other words, where one or more groups*

²¹DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraph 6.8)

²²Passage cited from 'Notes for completion of form' from HLIA pro forma supplied to RaISe by DETI, 20 February 2014

²³Passage cited from 'Notes for completion of form' from HLIA pro forma supplied to RaISe by DETI, 20 February 2014

*within equality categories will benefit more, or suffer a greater disadvantage than the population at large.*²⁴[emphasis added]

On the basis of this note, it is reasonable to expect that only differential impacts would be included in the bid documentation. As part of its analysis of bid documentation, RalSe has examined the information provided by departments in relation to the equality, anti-poverty and social inclusion requirements (see 2.2.3 below). This information may be of interest to committees, and the Assembly more generally, because of the statutory duties placed on public bodies by section 75 of the Northern Ireland Act 1998.²⁵

1.4. Prioritisation of bids

In addition to the requirements set out in section 1.2., DFP's 2014-15 guidelines require that:

*...departmental bids must be categorised as inescapable, pre-committed, high priority or desirable [...] and ranked in priority order (i.e. Nos 1, 2, 3 etc.).*²⁶

The priority categories of bids are defined as follows:

Inescapable

This category covers bids for additional firm legal or contractual obligations, whose costs were not previously anticipated and if not met, may lead to proceedings being taken against the Department. Under no circumstances should this category be used simply to ensure a strongly supported bid is met.

Pre-committed

This category covers those bids relating to a situation where the Executive has already taken prior decisions, through an alternative decision making process, and the relevant papers recording those decisions should be supplied to support the request.

High Priority

This category covers those bids in areas which are deemed to be important proposed developments in either delivering the key areas covered in the Programme for Government or dealing with other emerging issues of comparable importance.

²⁴Passage cited from 'Notes for completion of form' from HLIA pro forma supplied to RalSe by DETI, 20 February 2014

²⁵ <http://www.legislation.gov.uk/ukpga/1998/47/section/75>

²⁶DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RalSe as it is not yet published on the DFP website. (paragraph 6.12)

Desirable

This category covers those bids which are considered value for money projects but have a less direct impact on key departmental objectives and targets.²⁷

In the context of reducing resource baselines for most departments for the 2014-15 year, it seems possible that the ability of the Executive to make additional allocations to meet emerging pressures is likely to be constrained. Intuitively, this may lead to greater competition for scarce resources, which a layperson may expect to reduce the chances of lower priority bids being met.

As part of its analysis of bid documentation, RaISe has examined the priority categorisation departments have given to their bids. Some discussion of the correlation between prioritisation and the success of a bid is provided below in 2.2.4.

1.5. Department of Justice and Department of Health Social Services and Public Safety flexibilities

Both the Department of Justice (DoJ) and Department of Health Social Services and Public Safety (DHSSPS) have some additional flexibilities in relation to In-year Monitoring. These are detailed below as the flexibilities may have some bearing on the way the relevant statutory committees view the information presented in section 2.

1.5.1. DHSSPS

The Executive's *Budget 2011-15* stated that:

It should be noted that the Health Minister now also has complete discretion in terms of how he allocates funding across the entire DHSSPS budget. A facility that is not available to other Ministers.²⁸

More detail on how this discretion is translated into practice in relation to In-year Monitoring is provided in DFP's 2014-15 guidelines; it is of particular note that a condition has been attached as a trade-off for this discretion. The guidelines state:

Budget 2011-15 stated that DHSSPS will have certain additional in-year flexibilities. These flexibilities relate to resource expenditure only and include:

- *Automatic retention of reduced requirements;*
- *full flexibility to reallocate reduced requirements to other areas within DHSSPS;*

²⁷DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (Annex B)

²⁸NI Executive (2011) 'Budget 2011-15' available online at: http://www.northernireland.gov.uk/revised_budget_-_website_version.pdf (accessed 7 May 2014) (see paragraph 3.51)

- *full flexibility to reallocate any resource expenditure to higher priority areas within the same category of spend;*
- *no resource expenditure bids to be tabled by DHSSPS, unless in the event of major and unforeseeable circumstances (this condition does not preclude an allocation being made to DHSSPS).*

The department will still be fully involved in monitoring rounds and ensure that all transactions are [recorded] accurately and in a timely fashion. DHSSPS must also declare capital investment reduced requirements and may also submit capital bids as necessary. There will also still be a need for the Executive to be informed as to the additional service developments that will be funded as a result of each monitoring round. This will not only ensure that the respective roles of the Executive and Assembly are respected but will also provide an ongoing assessment as regards the merits of this approach.²⁹

RaISe sought further clarification of this guidance from DFP and how it relates with the 'complete discretion' described in the Budget 2011-15 document. In response, DFP has stated that:

The underlying principal in the budget document of the DHSSPS Minister having discretion in allocating resources is managed in the In year process by the department having flexibilities. To provide for the DHSSPS Minister having discretion, DHSSPS is permitted to record movements across the departmental structures that other departments would not be able to make without returning to the Executive for approval. This flexibility to retain and reallocate resource reduced requirements for reallocation therefore prohibits DHSSPS from submitting bids except in major or unforeseen circumstances. This flexibility was part of a package of measures agreed by the Executive for DHSSPS as part of the Budget 2008-11 process.³⁰

This response shows that the flexibilities accorded to DHSSPS relate to **internal reallocation** of certain resources. The trade-off for this discretion is a restriction on DHSSPS bidding – highlighted both in the correspondence cited above and in DFP's 2014-15 guidelines.

In January 2014, the interpretation of the restriction on DHSSPS' ability to bid was also discussed by a DFP official during an evidence session with the Committee for Finance and Personnel:

DFP official: *Usually, DHSSPS should not bid for resource in in-year monitoring, and it gets to keep its reduced requirements for internal*

²⁹DFP (2014) 'In-year monitoring of Public Expenditure: 2014-15 Guidelines'. A copy has been supplied to RaISe as it is not yet published on the DFP website. (paragraphs 5.50 -5.51)

³⁰E-mail from DFP official to RaISe, 6 May 2014

reallocation. Essentially, that is the arrangement. That does not stop it bidding, mind you, when it has pressures, as it has done. If the Executive have the funding available, as you can see, they are happy to allocate it to what they deem a high-priority area.

The Chairperson: *The guidance refers to the fact that the Department of Health should not bid except:*

"in the event of major and unforeseeable circumstances".

Does the Department of Finance and Personnel (DFP) accept the bids as having been made in major and unforeseeable circumstances?

DFP official: *We accept that some of them were, such as the winter pressures and some of the other pressures that built up over the past year.*

The Chairperson: *Some were and some were not.*

DFP official: *The Agenda for Change bid, for example, is for a planned reform programme and should not have been unforeseen. DFP did not accept that bid, but the winter pressures bid was accepted.*

The Chairperson: *You are saying that the Health Department has not kept to the guidance.*

DFP official: *It is guidance, and, as I say, it does not prevent it from bidding when it thinks that it might get a slice of the cake.³¹*

As part of its analysis of bid documentation, RaISe received details of bids submitted by DHSSPS. It can be seen from the report on the review presented below in Section 2 that DHSSPS has submitted 41 In-year Monitoring bids during the current budget period. 20 of these were for capital investment purposes; there were therefore **21 bids submitted for resource expenditure**. DHSSPS has confirmed that it submitted **no** bids during the 2011-12 year.³²

Point for scrutiny: the Committee for Health, Social Services and Public Safety may wish to investigate the bids submitted by DHSSPS during the current budget period. The purpose would be to establish:

- 1) which of the bids relate to genuinely "major and unforeseeable" circumstances; and,**
- 2) which bids relate to circumstances could, or should, have been reasonably foreseeable.**

³¹Official Report, 22 January 2014, available online at: <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Committee-Minutes-of-Evidence/Session-2013-2014/January-2014/January-Monitoring-Round-DFP-Officials/> (accessed 7 May 2014)

³²E-mail from DHSSPS official to RaISe, 28 February 2014.

If resource bids *did* relate to circumstances that were reasonably foreseeable, the Committee may consider what measures DHSSPS could put in place to ensure expenditure pressures are accurately identified in a timely manner in future.

1.5.2. DoJ

DoJ's funding position is also slightly different from other Northern Ireland departments. The Executive's Budget 2011-15 stated that:

*The Department will remain ringfenced over the Budget 2011-15 period. However, this does not mean that the budget is protected. Instead it means that the Department will receive the direct Barnett consequentials arising from changes in the funding levels of the Home Office and Ministry of Justice as a result of the UK spending review settlement for Whitehall departments.*³³

This ringfencing is unusual in the Northern Ireland context. Under the prevailing Public Finance Framework, the vast majority of Barnett consequentials are unhypothecated: they accrue to a central 'pot' for the Executive to allocate in accordance with *devolved* priorities, not the UK priorities that triggered the consequentials.³⁴

In addition, DoJ had special arrangements for the carryover of unused resources at year end. A DFP official has informed RaISe that:

*DoJ has separate arrangements for carrying forward unused resources and that this does not then count towards budget exchange. This arrangement applies to underspends relating to the years up to and including 2013-14, with controlled access to those underspends up to 2014-15.*³⁵

The cited passage shows that the separate arrangements for carryover at year end have now ceased. The implications for the In-Year Monitoring process are that DoJ's somewhat separate arrangements have changed:

*As DOJ have, to this point, had an arrangement to carry forward underspends reduced requirements have not normally been declared.*³⁶

This implies that from now on, DoJ will also have to declare reduced requirements. In relation to bids, a DFP official explained to RaISe that:

*DOJ may bid in monitoring rounds and it for the Executive to decide upon any allocations in line with competing priorities.*³⁷

For the purposes of this Paper, these arrangements may in part explain why DoJ has had the lowest proportion of bids met among all the Northern Ireland departments – see Figure 2, section 2.1.

³³NI Executive (2011) 'Budget 2011-15' available online at: http://www.northernireland.gov.uk/revised_budget_website_version.pdf (accessed 7 May 2014) (see page 87)

³⁴For further information on how Barnett consequentials arise, see RaISe paper 04/12, available online at: http://www.niassembly.gov.uk/Documents/RaISe/Publications/2012/finance_personnel/0412.pdf

³⁵Correspondence from DFP official, dated 14 May 2014.

³⁶Correspondence from DFP official, dated 14 May 2014.

³⁷Correspondence from DFP official, dated 14 May 2014.

Point for scrutiny: the Committee for Justice may wish to ask DOJ for its views on:

- **the effectiveness of the In-year Monitoring process from its perspective; and,**
- **the details of, and potential impacts arising from, any changes to the In-year Monitoring process for DOJ.**

2. Analysis of departmental In-year bid documentation.

This section presents RaISe's analysis of the bids submitted by departments as part of the In-year Monitoring process between the June 2011-12 and January 2013-14 Monitoring Rounds.

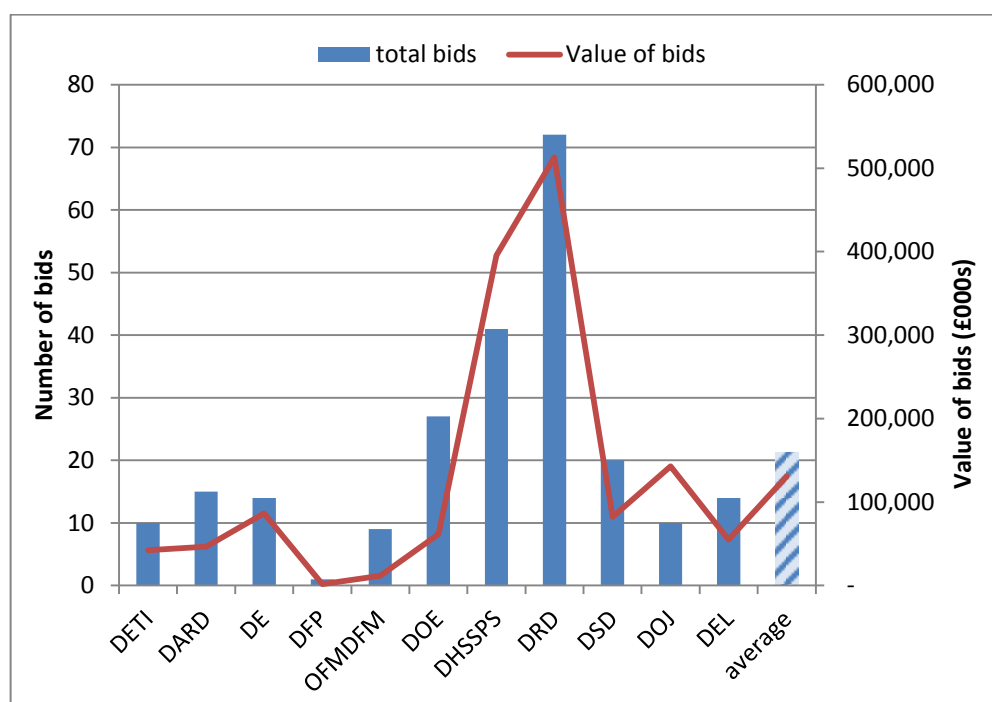
RaISe was provided by departments (excluding DCAL) with information relating to 232 bids over the period. Analysis is presented as follows:

- Section 2.1. provides summary information on the data;
- Section 2.2. examines bid documentation in line with the requirements specified in DFP's guidelines:
 - 2.2.1. considers the *de minimis* threshold;
 - 2.2.2. considers linkage with Programme for Government/departmental objectives;
 - 2.2.3. considers explanations of equality and poverty impacts; and,
 - 2.2.4. considers bid prioritisation;
- Section 2.3. disaggregates some of the data by department; and,
- Section 2.4. provides some discussion.

2.1. Summary information

Figure 1 below shows the number and value of bids submitted by departments over the period studied.

Figure 1: number and value of In-year Monitoring bids, June 2011-12 to January 2013-14

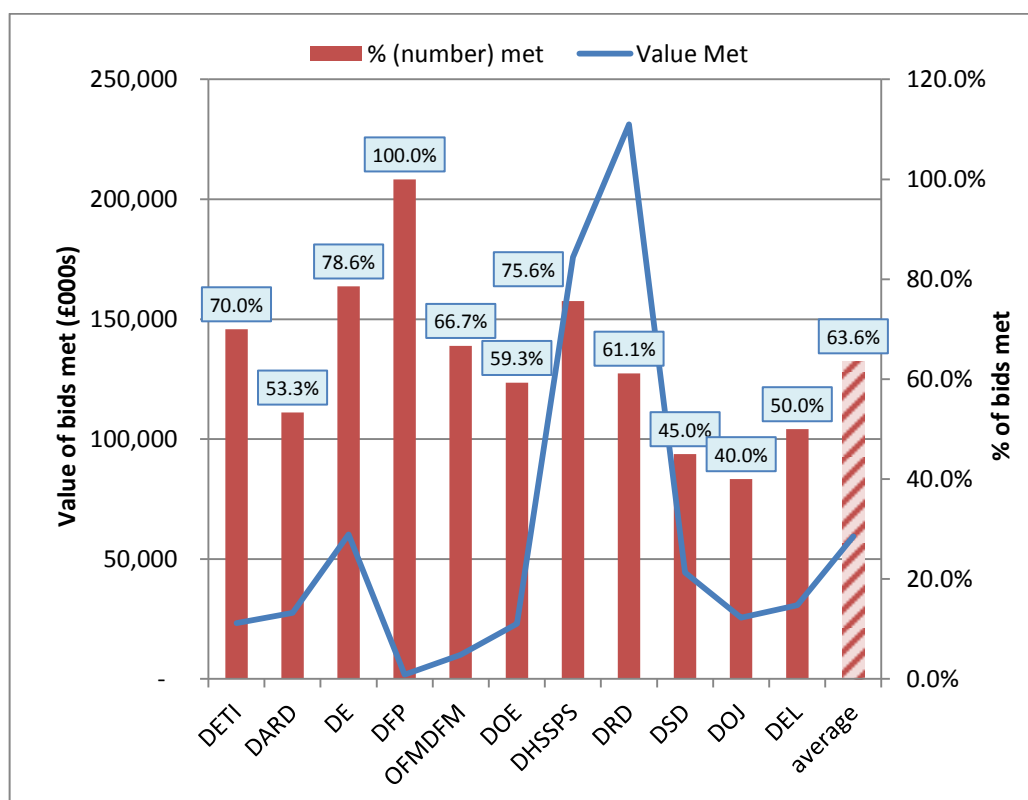


The following observations may be made about Figure 1:

- The departmental average number of bids submitted was 21;
- The departmental average value of bids submitted was £130,778,000;
- DRD was the most active department in terms of both the number (72) and the value (£512,915,000) of the bids submitted;
- DHSSPS submitted the second-highest number of bids (41), and the value (£395,550,000) was also second highest;
- DoE was the only other department to make a higher-than-average number of bids (27), but the value of the bids was much lower (£61,623,000); and,
- DFP made only 1 bid.

Figure 2 shows the proportion and value of each department’s bids that were met with allocations by the Executive.

Figure 2: proportion and value of In-year Monitoring bids met, June 2011-12 to January 2013-14



The following observations may be made about Figure 2:

- On average, nearly two-thirds (63.6%) of in-year bids were met;
- The only department which had all bids met was DFP, though it submitted only a single bid;
- DETI, DE, OFMDFM, and DHSSPS all had a higher-than-average proportion of their bids met;

- DSD and DOJ both had fewer than half of their bids met; and,
- DHSSPS and DRD had a considerably higher-than-average proportion of bids met, by value.

Figure 3 shows the proportion of bids submitted (number) in each category of public expenditure. Figure 4 shows the value of bids met in each category of public expenditure.

Figure 3: number of bids submitted in each category of public expenditure

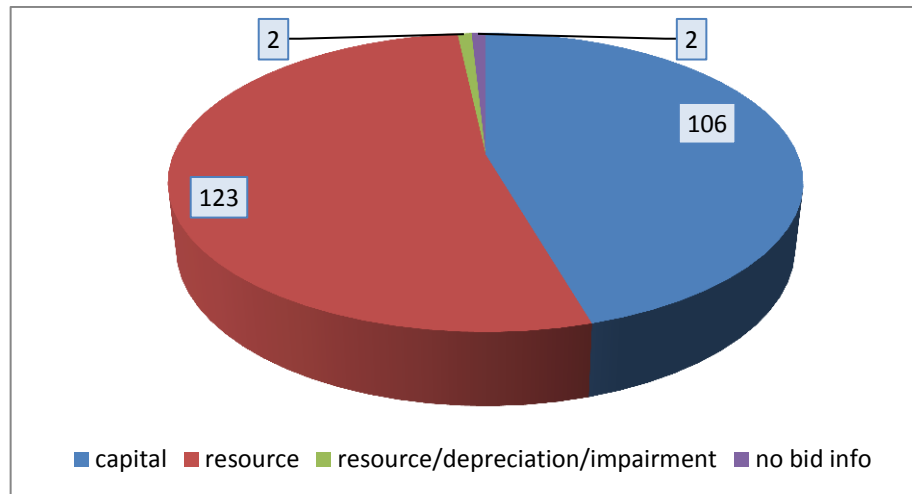
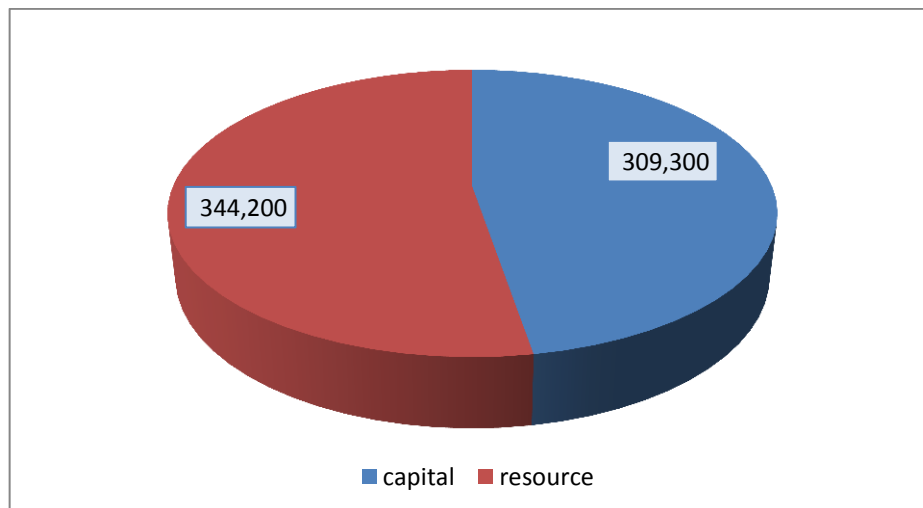


Figure 4: value of allocations made (£000s) in each category of public expenditure



The following observations can be made about Figures 3 and 4:

- A slightly higher proportion of resource bids were submitted; and,
- Approximately the same proportion of the allocations made were also in the resource category.

2.2. Compliance with guidelines

This section of the Paper examines the bids submitted by departments in line with the requirements of DFP's 2014-15 guidelines, as described in section 1.3 above.

2.2.1. The *de minimis* threshold

Table 2 below shows that, of the 232 submitted bids, 18 (8%) are below the £1million *de minimis* threshold.

Table 2.

Number of bids above £1m threshold	202
Number of bids equal to £1m	12
Number of bids below £1m threshold	18

Of these, five below-threshold bids contain information to explain the exceptional circumstances. The remaining 13 bid documents do not provide any explanation of the circumstances behind the below-threshold bids: in other words, the majority of these bids *do not* comply with the requirements specified in DFP's guidelines.

It may also be of interest that, of the 18 bids below the *de minimis* threshold, four were successful, and 14 were unsuccessful. None of the four bids that were met with an allocation included an explanation of exceptional circumstances.

2.2.2. Linkage with Programme for Government/departmental objectives

Table 3 below shows that, of the 232 submitted bids, 79 (34%) do not provide any information on the linkage between the request for resources and Programme for Government or departmental objectives. So in this regard, a third of the departmental bids examined by RaISe *do not* comply with the requirements specified in DFP's guidelines.

Table 3.

Number of bids with linkage information supplied	154
Number of bids without linkage information supplied	79

It may also be of interest to note that of the 79 bids without linkage information provided, 50 received an allocation of funding. The success of a bid does not therefore appear to be precluded by a failure to provide linkage information.

RaISe also examined the information provided in the bid documentation in relation to linkage with objectives. Each bid document was then qualitatively assessed to see if the linkage is clear and makes sense to a lay reader. A description of the methodology employed by RaISe in this assessment is provided in Appendix 3.

RaISe acknowledges that its analysis is limited, but argues that it provides an indication of the extent to which this element of the bid documentation can support transparency. The findings may therefore be of some interest to the Assembly.

Table 4 below shows the outcome of the qualitative assessment.

Table 4.

Detailed description provided	76
Insufficiently detailed description provided	41
Unspecific description provided	34
Other	3

Table 4 shows that approximately half the bid documents contained a description of the insufficient linkage between the proposed expenditure and objectives or targets for RaISe to pinpoint which objectives were referred to; or, in other cases, to understand how the expenditure would contribute to delivery of specified objectives.

In sum, this means that in only about one-third of the total number of bids examined there was sufficient information for a lay reader to see how proposed expenditure relates to objectives. In turn, this means that approximately two-thirds of bids failed to clearly demonstrate the impact of the proposal on the key commitments set out in the Executive's Programme for Government 2011-15, or contribute towards the department's own objectives, as required by DFP's guidelines.

Point for scrutiny: committees may wish to ask departments to supply them with copies of future bid documentation in good time so that they are provided an opportunity to fully assess the quality of the information provided.

2.2.3. Equality and poverty impacts

Of the 232 submitted bids, 88 included some information on the equality or anti-poverty impacts of the proposed expenditure. A further 144 bid documents did not include specific information or were unclear as to whether an assessment had been carried out by the department.

A description of the methodology employed by RaISe in this assessment is provided in Appendix 4.

Table 5 shows the categorisation applied by RaISe to these 142 bids:

Table 5.

Bid states 'not applicable' or no information is provided	54
Bid states 'none' or 'no impact'	45
Bid states 'neutral'	27
Bid states 'positive impact for all'	18

52 bids either present no information or state that equality or anti-poverty impacts were 'not applicable'.

A further 45 bids state 'none' or said there was 'no impact'. The bid documents themselves do not provide any further information. It is therefore unclear to a lay reader whether the expenditure proposal has been assessed for impacts and none has been found, or if the department simply believes there would be no impact.

Similarly, 27 bids stated that the impact would be 'neutral'. Although this word may imply an assessment has been conducted, no further detail is provided. In a number of cases provided by DRD, for example, the word 'neutral' is used to report the findings of a separate HLIA that has been conducted.

Finally, 18 bids state that there would be a 'positive impact for all'. This assessment seems to ignore the advice (cited in section 1.3.3. above) that "*a positive impact on the whole population is not a positive equality impact.*"³⁸ And, in some instances, it in any case appears to be a claim that is difficult to sustain.

An illustration is provided by DHSSPS bids at the October 2013-14 and January 2013-14 Monitoring Rounds for £20million resource funding to meet clinical negligence claims. The bid forms state that:

*Investment in clinical negligence settlements should have a positive impact on statutory equality obligations for all.*³⁹

Aside from the fact that meeting clinical negligence claims could be considered a stretch of the word 'investment', it is hard to see without further, more detailed, information how such settlements could be described as having a positive equality impact.

Overall, of the 142 bids described in Table 5, 90 (63%) received an allocation of resources. In other words, nearly two-thirds of bids which contained unspecific or unclear information about equality and poverty impacts were successful.

³⁸Passage cited from 'Notes for completion of form' from HLIA pro forma supplied to RaiSe by DETI, 20 February 2014

³⁹Bid documentation provided to RaiSe by DHSSPS by e-mail, 14 May 2014.

These findings suggest that equality and anti-poverty impact considerations may not have been fully and meaningfully mainstreamed into the In-year Monitoring processes. Having said this, it may be that all bids have been subjected to the HLIA process described in section 1.3.3 of this paper, but the findings have not always been translated to the bid documentation.

In relation to the 88 bid documents which include some information in relation to equality and poverty impacts, RaISe conducted a qualitative assessment to see if the information provided is clear and makes sense to a lay reader.

RaISe acknowledges the limitations of its analysis, but argues that it provides an indication of the extent to which this element of the bid documentation can support transparency. The findings may therefore be of some interest to the Assembly

Table 6 shows the outcome of the qualitative assessment.

Table 6.

Bid provides sufficient detail/evidence to demonstrate that an assessment has been conducted, and provide a high-level understanding of differential impacts	58
Bid provides information that appears only tenuously connected with quality/poverty impacts	15
Bid provides apparently irrelevant information	8
Other	7

Of those bid documents which did include some information in relation to equality or poverty impacts, it can be seen that about two-thirds included information that RaISe judged to be reasonably sufficient.

This means that the remaining third contained information that RaISe judged to be inadequate. For example, a DoE bid at the January 2013-14 Monitoring Round for funds for a scheme to tackle dereliction in town centres states:

This work helps to tackle issues of dereliction within urban centres enhancing the physical appearance for visitors and locals.⁴⁰

Whilst it may well be true that tackling dereliction does enhance the physical appearance of an urban centre, it is not immediately clear without further, more detailed, information explaining *how* such enhancement impacts on equality, or on anti-poverty measures.

⁴⁰Bid documentation provided to RaISe by DoE by e-mail, 14 February 2014

These findings add more weight to the suggestion that equality and anti-poverty impact considerations may not have been fully mainstreamed into the In-year Monitoring processes.

Point for scrutiny: committees may wish to ask departments to supply them with copies of future bid documentation in good time so that they are provided an opportunity to fully assess the quality of the information provided.

2.2.4. Bid prioritisation

Of the 233 submitted bids, 22 did not have a prioritisation attached. Table 7 shows the prioritisation attached to the bids by the submitting department.

Table 7.

Inescapable	88
High priority	108
Precommitted	6
High priority/inescapable	1
None	22
Other	8

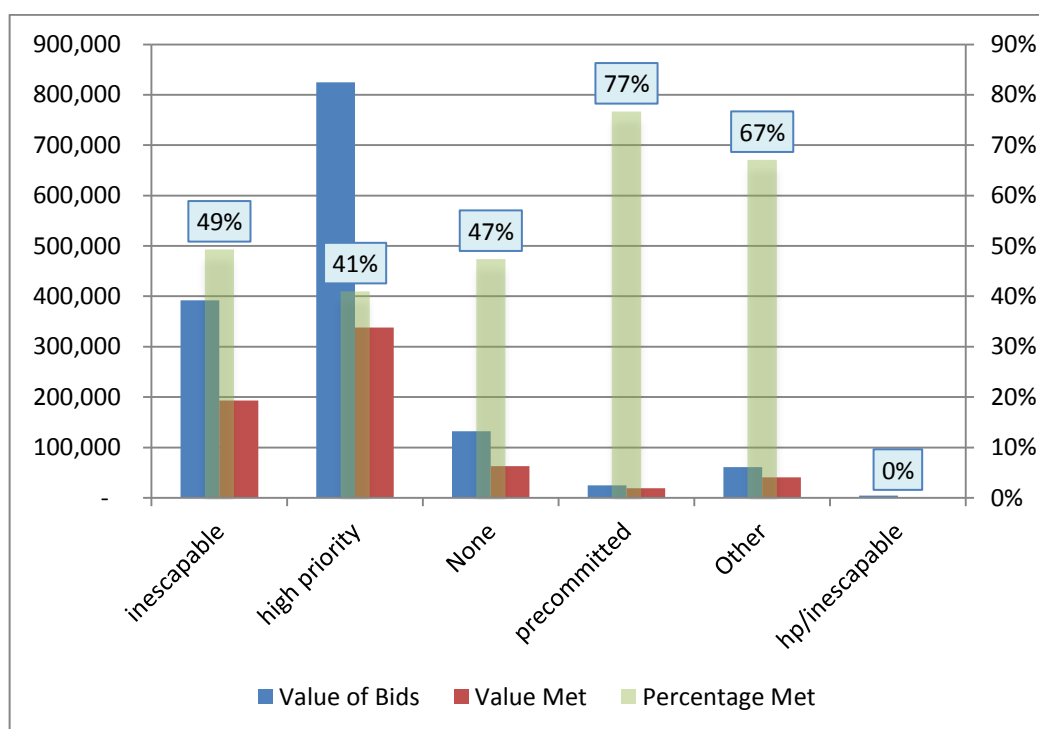
Note: the 'other' category includes a number of bids that were submitted with priorities that did not match the categorisation in the DFP guidelines. For example, some bids had values attached ('100', or '1,2,3...').

The following observations may be made about Table 7:

- There were no bids submitted in the 'desirable' category;
- The highest proportion (46%) of bids were categorised as 'high priority';
- More than a third (38%) of the bids submitted were categorised as 'inescapable'; and,
- A reasonably significant proportion (10%) had no priority attached, and therefore did not comply with DFP's guidelines.

Figure 6 shows the value (£000s) of the bids submitted disaggregated by priority. It also shows the value of allocations made by priority, and the proportion of bids submitted in each category that was met with an allocation by the Executive.

Figure 6.



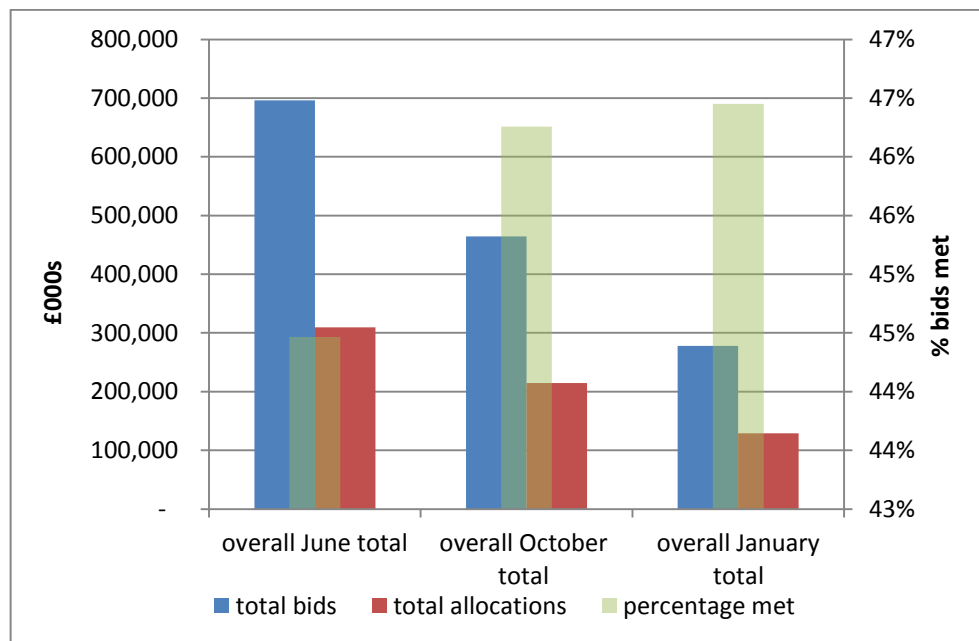
The following observations may be made about Figure 6:

- The highest proportion of bids met, by value, (77%) were prioritised as 'precommitted', though these represent a comparatively insignificant value (£18,800,000) of the total allocations made (£653,500,000) - 3%;
- Slightly less than half of the value of 'inescapable' bids (49%) was met with an allocation;
- Nearly the same value of bids with *no* prioritisation attached (47%) was met with an allocation; and,
- The lowest proportion of bids met (41%) - excluding high priority/inescapable' was in the 'high priority' category.

Point for scrutiny: the Committee for Finance and Personnel may wish to ask DFP to explain its processes for ranking the bids it receives from departments.

2.2.5. Bids and allocations by monitoring round

Figure 7 shows the value of bids met and allocations made, by Monitoring Round. It also shows the proportion of bids met in the June, October and January Monitoring Rounds (totalled for 2011-12 to 2013-14).

Figure 7.

The following observations may be made about Figure 7:

- The total value of bids submitted has tended to decrease as the year has progressed. In other words, total bid value is lower in October (£464,583,000) than it was in June (£696,047,000), but higher than in January (£277,930,000);
- Similarly, the total value of allocations made has also decreased as the year has progressed. This is in line with what one would expect because one condition of resource allocation is that the funds can be spent within the year; but,
- There has been a slightly higher proportion (46%) of bids met, by value, in October and January than in June (44%), though this difference is relatively insignificant.

3. Concluding remarks

Section 2 of this Paper presents the findings of RalSe's analysis of in-year bid documentation and allocations data. The analysis focuses on a number of discrete elements that may be of interest to statutory committees – such as departmental adherence to requirements to show the links between proposed expenditure and the Executive's PfG.

RalSe sought to restrict its analysis to departmental information and data provided as part of the In-year Monitoring process which may help to provide additional transparency about departments' financial processes and service delivery. It is intended that the issues identified in this Paper will further enable statutory committees' on-going scrutiny.

For example, the **absence of a strong relationship between the prioritisation attached to a bid and the proportion of the bids met, by value, suggests that detailed committee scrutiny of departmental prioritisation could be nugatory.** It was shown in section 2.2.4. that 47% of the value of bids with no priority attached was met, compared to 41% of the value of 'high priority' bids.

Another issue that may be of interest to committees is the **absence of consistent and detailed information on the linkage between bids and the delivery of objectives.** From a scrutiny perspective committees focus on how departmental expenditure translates into the achievement of political priorities. As this Paper highlights, deficient information often makes it difficult for committees to do this.

A similar comment may be made in relation to the **absence of consistent and detailed information provided by departments on the equality and poverty impacts of their proposed expenditure.** Again, this seems like a reasonable avenue for committee scrutiny given departments' statutory obligations, but one that is often difficult to elucidate through the in-year monitoring documentation.

Committees may therefore wish to encourage their respective departments to provide better information in their bids. This would enable enhanced scrutiny by the Assembly of Executive and departmental decision-making processes in relation to in-year changes in expenditure plans.

In particular, while relying on this Paper, the Committee for Finance and Personnel may wish to consider the extent to which the In-year Monitoring process is 'transparent, responsible and consistent', and how departments could be encouraged to adhere more fully to DFP's guidance in this area.

The Executive's *Budget 2011-15* was agreed by the Assembly. But, without committee input to the In-year Monitoring process, the subsequent changes to spending plans are primarily driven by departmental officials and the Executive; the Assembly is simply informed of the outcome of changes by way of the Minister of Finance and Personnel's

statements. It does not have the opportunity to consider and advise, or vote, on such changes.

This issue may be of some potential significance as the Executive has signalled that the 2014-15 October Monitoring Round may be used to adjust down departmental baselines by a further £87 million. This Paper shows that **already some departments seem to be relying on in-year bids to fund a considerable amount of service delivery**. DRD, for example, has been allocated nearly a quarter of a billion pounds through in-year monitoring over the period examined. A question arises if this may be an indication that DRD's baselines were set too low in *Budget 2011-15*. If so, the Assembly may wish to consider the impact of further cuts to departmental baselines through October monitoring.

In conclusion, this Paper has raised a number of considerations in relation to the In-year Monitoring process, which the statutory committees may wish to consider. It also indicates areas where they may wish to focus their financial and budgetary scrutiny in the near future.

Appendix 1: Blank bid proforma

2013-14 Monitoring							Code = BID		
Round	Bids					If Bid is less than £1 million do exceptional circumstances apply? If yes, please provide detail below.		Yes / No	
DO NOT RESTATE CODE AND CATEGORY IN DESCRIPTION									
Give a meaningful Description (max 40 characters) i.e. What is the bid for?									
Dept						Priority		Ranking	
						£000s			
UOB	Record	Admin	Admin Dep/Imp	Resource	Res Dep/Imp	Capital	Total UOB	Ref No	Keyed By
							0		
							0		
							0		
							0		
Total Bid:		0	0	0	0	0	0		
BID									
Details of Transactions submitted in Previous Rounds									
Previous Bids submitted in this area and how much met.									
Any reduced requirements in this area?									
Any Proactive Management actions in this area?									
Description of Bid									
Why additional allocation is required at this stage?									

Impact on PFG targets if met.

Consequences if transaction not approved.

Impact on Statutory Equality Obligations and Anti-Poverty

Exceptional circumstances for bids below £1 million.

General Comment

Appendix 2: Blank HLIA proforma

High-Level impact assessment pro forma – Monitoring of Expenditure 2013-14

Business/ NDPB_ _____

Date_____

Contact person

1. Description of Funding proposal including aim/objective

--

2. Will the funding proposal impact differently on any group within the nine S75 equality categories?

	Positive	Negative	Neutral	Description of impacts	Evidence used
Gender					
Religion					
Race					
Political Opinion					
Sexual Orientation					
Marital Status					
Disability					
Dependents					
Age					

3. (a) If the impacts identified are potentially positive or neutral please consider whether any further adjustments could be made that would increase equality of opportunity for groups within any of the Section 75 categories.

(b) If any of the impacts are negative you **MUST** provide evidence of consideration of all possible mitigations or policy alternatives that were considered, including data or evidence sources where available, and justification of any decision to proceed despite the negative impacts.

4. Will the funding proposal have impacts on individuals, groups or areas suffering from poverty and/or social exclusion?

Positive Negative No impact/neutral

Description of Impacts:

- 5a. Does the funding proposal provide an opportunity to promote good relations between people of different:

	Yes	No	Description of way(s) in which good relations is/could be promoted
Race			
Religion			

Political Opinion			
Sexual orientation			
Persons with a disability and persons without			

5b. Could the funding proposal inadvertently inhibit or damage good relations between groups within any of the above categories?

NO

YES

(if yes, please provide description below, and justification for proceeding, notwithstanding the impact)

6. Will the funding proposal have impacts on the promotion of sustainable development and if so, how?

Positive

Negative

No impact/neutral

Description of Impacts:

Appendix 3: description of methodology for assessment of information provided in relation to linkage with objectives

Each bid document that contained some information about the linkage between the resources requested in the bid and the objectives was examined by RaISe.

The degree to which a bid document provided intelligible information, to a lay reader, about the linkage between the resources requested and the outcomes envisaged in relation to the achievement of PfG targets or departmental objectives was assessed.

The information was then categorised in one of three ways:

- The information provided is sufficiently detailed for a lay reader to understand how the planned use of resources relates to objectives. In other words, it states which objectives in the PfG or departmental business plans/strategies would be supported by the activities underpinned by the bid. Also, there was sufficient information for a lay reader to understand how those resources would contribute to the delivery of those objectives; or,
- The information provided is insufficiently detailed for a lay reader to understand how the planned use of resources relates to objectives. In other words, it does not state which objectives would be supported by the activities underpinned by the bid, or it is unclear exactly how the expenditure and the objectives of the department is linked to the expenditure; or,
- The information provided is general and descriptive, but does not relate to a specific objective or show how the resources would be used to deliver particular outcomes. In other words, it does not state specific targets but says, for example, that the bid is 'in line with ministerial commitments' or 'congruent with departmental objectives'.

Note that three bids were categorised as 'other' because the bid stated that information had been provided to DFP in a separate document. In these instances, RaISe could not qualitatively assess the information provided. A further four bids state that potential impacts were not known at the time because of the nature of the expenditure proposed.

Appendix 4: description of methodology for assessment of information provided in relation to equality and poverty impacts

Each bid document that contained some information about the equality and poverty impacts of the resources requested in the bid was examined by RaISe.

The degree to which a bid document provided intelligible information, to a lay reader, about the impacts of the resources requested on equality and anti-poverty strategies was assessed.

The information was then categorised in one of three ways:

- The information presented is sufficiently detailed for a lay reader to determine that the department has made some form of evidence-based assessment of the equality and poverty impacts of the proposed expenditure, and to understand at a high level what differential impacts might occur; or,
- The information presented seems only tenuously linked to the expenditure proposed and equality and poverty impacts; or,
- The information presented appears to be irrelevant to equality or poverty impacts.

Note that four bids were categorised as ‘other’ because the bid stated that information had been provided to DFP in a separate document. In these instances, RaISe could not qualitatively assess the information provided. A further four bids state that potential impacts were not known at the time because of the nature of the expenditure proposed