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National monitoring frameworks for public social spending

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**ESPN Thematic Report on
National monitoring frameworks
for public social spending**

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Summary

The Dutch monitoring framework for public social spending is part of the overall public expenditure budget cycle. This framework does not solely rely on the COFOG/ESSPROS¹ obligations, but it does cover all COFOG/ESSPROS functions. Independent (internal and external) auditors check the financial statements of all ministries. The annual reports are made publicly available five months after the end of the budgetary year (in May). The subsets of public social spending can be found in the annual reports of the Ministries of Social Affairs and Employment (social exclusion, unemployment, sickness, survivors, children, old-age pensions, and disability), Health, Welfare and Sport (healthcare), and the Interior and Kingdom Relations (housing).

This national monitoring framework does not cover occupational pensions, for which there is a separate monitoring framework designed to ensure that an agreed pension can be paid out. Within the Financial Assessment Framework, the Dutch Central Bank and the Authority for Financial Markets supervise pension funds and insurers. The national monitoring framework does not make a strict distinction between current and capital expenditure, which can be considered a weakness of the national system. But the framework does help monitor both the level of spending and social outcomes. It focuses on the effectiveness of expenditure, monitoring year-to-year trends (horizontal), and giving an extensive breakdown of spending compared with the previous year. Statistics Netherlands (CBS) and the Institute for Social Research (SCP) are important governmental agencies, which provide a breakdown of data on public (social) spending and evaluate policies (e.g. poverty and unemployment). The CBS reports data on social spending with a high level of granularity. Furthermore, the CBS database provides multiple tools for breaking down spending. Total social benefits are broken down by age group, gender, migration background, and place of residence.

Next to the national framework, provinces and municipalities have their own sub-national monitoring frameworks. Municipalities make use of the planning and control cycle, during which their expenditure is monitored, and the effectiveness of their policies is evaluated. In terms of good practice for sub-national monitoring of social spending, two websites are discussed. These websites give insights into the outputs and outcomes of local policies as well as local (social) spending, and allow for comparisons between municipalities.

Performance audits conducted by the Court of Audit are an important review tool for monitoring spending on domestic policies. The Court of Audit writes an annual performance report for each ministry. This is anchored in national legislation and is an integral part of the budgetary cycle. Currently these reports are publicly available for 2011-2020. The Court's recommendations have significant leverage in relation to improving both the efficiency and the effectiveness of policies, and often lead to reforms and to improved governance. The performance audits are considered an important strength of the national system. Additionally, central government uses an evaluation system: multiple reporting tools (periodical policy checks, inter-departmental policy research, social reappraisals, and social cost-benefit analyses – SCBAs) evaluate future, current, and past policies. These evaluations often cut across specific ministerial policies. The Strategic Evaluation Agenda prioritises evaluations and triggers the commissioning of an evaluation by the Cabinet or a ministry. The results of these evaluations often lead to more effective policies.

Next to the evaluating tools of the central government, other governmental agencies (e.g. the CBS and SCP) report on the social outcomes of different policies. The Association of Municipalities (VNG) has developed multiple tools for the evaluation of (public spending on) social policies at a local level.

¹ Classifications Of Functions of Governments (COFOG); European System of integrated Social PROtection Statistics (ESSPROS).

1 Country-specific monitoring frameworks for public social spending

1.1 Country-specific dedicated monitoring framework

1.1.1 Overall public expenditure framework

The Dutch monitoring framework for public social spending is part of the overall public expenditure budget cycle. This framework does not solely rely on the COFOG or ESSPROS obligations, but does cover all COFOG/ESSPROS functions at a national level (sickness/healthcare, disability, old age, survivors, family/children, unemployment, housing, and social exclusion).

Regarding the scope of public (social) spending, we focus on the end of the budgetary cycle: "accountability day".² An independent internal audit is conducted by the Central Government Audit Service (*Auditdienst Rijk*). This audit checks the financial statements and analyses the financial management of all ministries.³ The budget year expires on 31 December and the annual report is drawn up early the following year. The House of Representatives debates this report in May, on accountability day. On that day, the Court of Audit (*Algemene Rekenkamer*) presents a report to the House of Representatives, containing an assessment of the government's policy over the previous year: this considers whether the desired policy goals have been achieved, and whether the Cabinet has observed the law and financial regulations. The Court of Audit also comments on the annual reports of each ministry. These reports, including the internal and external audits, are published and available in May, five months after the end of the budgetary year.⁴

The implementation of the various policy programmes, as well as the results and costs, is discussed in the House of Representatives. In this way, ministers must account to both chambers of the States-General. Because the implementation of the plans is evaluated the following year, the Cabinet can incorporate the comments made by Parliament in the draft of the National Budget for the following year, and thus adjust or change its policy if necessary.

1.1.2 Sub-sets of public social spending

Concerning the sub-sets of public social spending areas, our focus shifts towards the Ministries of Social Affairs and Employment (social exclusion, unemployment, sickness, survivors, children, general old age, and disability), Health, Welfare and Sport (healthcare) and the Interior and Kingdom Relations (housing). Every minister has a ministerial responsibility for the legality of the obligations, expenditure, receipts, and overall financial management of the ministry. These are tested by the Court of Audit with a reporting tolerance of 1%. Any illegalities over this threshold are reported in the central government *Annual Financial Report*.⁵

The 2020 annual report of the Ministry of Social Affairs and Employment, audited and approved by the Court of Audit, described policy priorities and overall policy goals, and included financial statements.⁶ For these financial statements the ministry makes use of the annual reports of executive bodies such as the Employee Insurance Agency

² <https://www.houseofrepresentatives.nl/accountability-day>

³ <https://english.rekenkamer.nl/about-the-netherlands-court-of-audit/publications/publications/2020/03/24/fact-sheet-the-netherlands-court-of-audit>

⁴ www.rijksfinancien.nl

⁵ <https://www.rijksoverheid.nl/documenten/jaarverslagen/2021/05/19/financieel-jaarverslag-rijk-2020>

⁶ <https://www.tweedekamer.nl/kamerstukken/detail?id=2021Z07676&did=2021D16945>

Netherlands (*Uitvoeringsinstituut Werknemersverzekeringen – UWV*⁷) on social spending on disability, unemployment, sickness, and COVID-19 support for self-employed people); and of the Social Insurance Bank (*Sociale Verzekeringsbank – SVB*⁸) on the implementation of old-age pensions, child benefits, and survivors' benefits. The UWV and the SVB are audited internally and externally.⁹ The Central Government Audit Service checks the internal control measures and the overall business operations. Moreover, it audits the financial statements of the UWV and SVB and writes the auditor's report. An independent auditor then audits the annual report as a public auditor.^{10/11}

Concerning the monitoring of healthcare expenditure, the Ministry of Health, Welfare and Sport relies on the National Healthcare Institute (*Zorginstituut Nederland*), the Dutch Healthcare Authority (*Nederlandse Zorgautoriteit*), the Bureau for Economic Policy Analysis (*Centraal Planbureau*), and the umbrella organisation of healthcare insurers (*Zorgverzekeraars Nederland*).¹² Public spending on healthcare is limited by a revenue restriction for social partners (such as healthcare insurers). This restrictive measure is in place in order to prevent a continuous rise in public healthcare expenditure. As a result, healthcare insurers must make choices about covering (expensive) treatments through collective insurance.¹³

1.2 Separate monitoring framework linked to schemes provided by employers

The national monitoring framework does not cover occupational pensions within the Dutch pension system. For these pensions, there is a separate monitoring framework.

1.2.1 The Dutch pension system¹⁴

The Dutch pension system is divided into three parts, as follows.

- The General Old Age Pensions Act (*Algemene Ouderdomswet – AOW*): this provides a basic pension to everyone living in the Netherlands who has reached the qualifying age (67 in 2024 and thereafter linked to the development of life expectancy). The AOW is part of the national monitoring framework of the Ministry of Social Affairs and Employment (see Section 1.1.2 above).
- Occupational pensions: employees and employers pay the contributions agreed in collective employment agreements into the pension fund to which the employer is affiliated. Participation has been made mandatory for most sectoral pension funds. Pension funds are based on capital funding: employees and their employers accrue pension entitlements from their contributions to the pension fund and the returns realised over the years by the collective investment of these contributions. Occupational pensions have a separate monitoring spending framework (see Section 1.2.2 below).
- Individual banking or insurance products for which contributions can be paid for the accrual of a pension: these are important mainly for those people who do not accrue a pension under an occupational pension scheme – for instance, because they are

⁷ <https://www.rijksoverheid.nl/contact/contactqids/uitvoeringsinstituut-werknemersverzekeringen-uwv>

⁸ <https://www.svb.nl/en/about-the-svb/who-we-are>

⁹ https://jaarverslag.uwv.nl/FbContent.ashx/pub_1000/downloads/v210420083048/uwv-jaarverslag-2020.pdf

¹⁰ <https://jaarverslag.uwv.nl/jaarverslag-2020/overige-gegevens/controleverklaring-onafhankelijke-accountant>

¹¹ <https://www.rijksoverheid.nl/documenten/jaarverslagen/2021/05/18/jaarverslag-svb-2020>

¹² <https://www.rijksfinancien.nl/jaarverslag/2020/XVI>

¹³ <https://www.zorgwijzer.nl/faq/omzetplafond>

¹⁴ <https://www.pensioenfederatie.nl/website/the-dutch-pension-system-highlights-and-characteristics>

self-employed.¹⁵ Individual banking and insurance products are not a part of the monitoring framework.

1.2.2 Monitoring framework for occupational pensions

Two organisations supervise pension funds and insurers: the Dutch Central Bank (*De Nederlandsche Bank* – DNB) and the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten* – AFM). Pension providers require permission from the DNB in order to operate. The conditions include sufficient financial assets, and a fit and proper board of trustees. The DNB closely monitors the financial and management operations of pension providers, thereby monitoring the spending on occupational pensions. By law, pension providers are obliged to provide specified information to their stakeholders. This obligation involves strict requirements with respect to timeliness, comprehensibility, and content. To ensure future payments, the AFM checks that pension providers meet these requirements.

Most pensions in the Netherlands take the form of a benefits scheme. The AOW contains safeguards designed to ensure that an agreed pension can be paid out. These safeguards are regulated by the Financial Assessment Framework (*Financieel Toezichtskader* – FTK) and involve the monitoring of spending by pension providers. Each year, the FTK states how the liabilities (the future payments) of the pension funds must be calculated, the required amounts for the buffers and the contributions to a pension fund, and the risks (interest rate risk, longevity risk, investment risk, etc.) that funds must consider. In general, the FTK sets the “price” of a pension and therefore is the core of the AOW. The current principle is that there should be a high degree of certainty that the promised pension can be paid out. Only indexation may, if allocated subject to conditions, be subject to a high degree of uncertainty. Due to the high degree of certainty required, calculations must be based on the risk-free discount rate and large buffers must be maintained.

1.3 Distinction between current expenditure and capital expenditure

The annual reports of the ministries and the factsheets on healthcare expenditure¹⁶ do not identify capital expenditure separately. Hospitals (including medical equipment), pharmacies, nursing homes, and childcare facilities are privately owned. Within the pricing or funding of these services the entire operation, including capital expenditure, is covered.

1.4 Type of monitoring: level and outcomes

The national monitoring frameworks of the different ministries (Ministry of Social Affairs and Employment, Ministry of Interior and Kingdom Relations, and Ministry of Health, Welfare and Sport) help monitor both the level of spending and social outcomes. They focus on the effectiveness of social policies and the efficiency of expenditure, thereby monitoring year-to-year trends in expenditure (horizontal) and providing an extensive breakdown of spending in the previous year. For example, the annual report of the Ministry of Health, Welfare and Sport divides healthcare expenditure into primary care, secondary care, mental care, pharmacies, district nursing, patient transport, education, and cross-border care. The level of spending is described in the annual reports of the ministries (in May) and is published on the website of the CBS (*Centraal Bureau voor Statistiek*) (in June).

The financial statements in ministerial reports focus on the level of spending, while the CBS and the SCP generally report social outcomes – such as poverty, equality, welfare, health, unemployment, and homelessness.¹⁷ Within the national framework, the evaluation system requires ministries to regularly review the overall effectiveness and efficiency of

¹⁵ <https://www.oecd.org/els/public-pensions/PAG2017-country-profile-Netherlands.pdf>

¹⁶ <https://www.rijksfinancien.nl/jaarverslag/2020/XVI/onderdeel/866094>

¹⁷ See the general report on the social status of the Netherlands, available at: <https://digitaal.scp.nl/ssn2020/>.

policies (for example through the audit conducted by the Court of Audit, and reporting and research by independent research agencies).

1.5 Level of granularity of public social spending

The annual reports of the ministries (and executive agencies) describe their spending in the previous year extensively. Spending is disaggregated into healthcare (primary care, secondary care, mental healthcare, pharmacies, nursing, hospital transport, education, and others), unemployment, social exclusion, disability, old age, survivors, children, reintegration, COVID-19-related benefits for self-employed people, and housing.

Statistics Netherlands publishes information on public social spending. For all types of social spending, nominal numbers are presented for each year.¹⁸ Moreover, the CBS reports data on overall public social spending as a percentage of GDP.¹⁹ Healthcare expenditure, for example, is disaggregated over different types of care (nursing, specialised, preventive, disability, mental, and medicines), per capita and as a percentage of GDP.²⁰

1.6 Breakdown of public social spending

The CBS database provides multiple tools for breaking down public social spending. These tools break down sub-sets of public social spending (expenditure on social exclusion benefits,²¹ old-age pensions, disability benefits, and unemployment benefits) by demographic categories such as gender, migration background, and place of residence. Moreover, the number of beneficiaries of specific social benefits is broken down by age groups, gender, migration background, and geographic distribution (provinces, municipalities, cities, and neighbourhoods).²²

1.7 Timing and public accessibility of data

Under the monitoring framework, data on incurred public social spending (in the annual reports of ministries and executive organisations) are available within five months after the end of the budget year, on accountability day. The financial statements of the ministries are publicly available.²³ The CBS publishes the data on yearly social spending in June. This information is available to download.

Public spending on social security (e.g. unemployment, old-age, sickness, survivor, and disability benefits) is published monthly with a delay of two months. Furthermore, the CBS reports quarterly on governmental spending, including social spending.²⁴ The report for the first quarter of 2021 described how the COVID-19 pandemic had influenced spending.

1.8 Sub-national frameworks

Next to the national framework, provinces and municipalities have their own sub-national frameworks. For this section, we focus on the municipalities, because they are responsible

¹⁸ <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/84121NED/table?ts=1636560416765>

¹⁹ <https://www.cbs.nl/nl-nl/longread/diversen/2020/overheidsfinancien-2019?onepage=true#c-3--Uitgaven-groeien-minder-hard-dan-bbp>

²⁰ <https://www.cbs.nl/nl-nl/nieuws/2021/26/zorguitgaven-inclusief-steunmaatregelen-stegen-in-2020-met-8-3-procent>

²¹ <https://www.cbs.nl/nl-nl/nieuws/2021/02/aandeel-bijstandsontvangers-in-2020-weer-toegenomen>

²² <https://opendata.cbs.nl/statline>

²³ Available at: <http://www.tweedekamer.nl>.

²⁴ <https://www.cbs.nl/nl-nl/longread/diversen/2021/aanhoudend-tekort-in-2021/dalend-aandeel-sociale-uitkeringen-in-uitgaven-door-coronacrisis-in-2020>

for a substantial part of social services. Each municipality has an independent Audit Court (*Rekenkamer*), which monitors the performance of the coalition agreement, conducts in-depth research on specific policy themes (e.g. the effectiveness of youth care²⁵), and monitors the financial management of the municipality.²⁶

Municipalities use the planning and control cycle. The cycle ends with the annual account and report, in which the council describes its policy (achievements) and effectiveness. As a good practice we highlight two monitoring tools, as follows.

- The VNG (*Vereniging van Nederlandse Gemeenten*) publishes (bi-annually) municipality-specific information (e.g. on general health matters, such as data on life expectancy, and usage of mental health institutions, but also a dashboard to monitor the social impact of the COVID-19 pandemic). The VNG maintains a platform (*Waarstaatjegemeente*²⁷) for publishing this information. This information can be used to assess whether municipal authorities are complying with legal requirements. It combines publicly available data from multiple sources in order to monitor and highlight specific policies.²⁸ For example, due to the decentralisation of former national policies a monitor of the social domain is published every six months.²⁹ This monitor gives insights into the number of people (in multiple categories) who receive social support from the municipality. Furthermore, it shows how a municipality compares with others in terms of the number of beneficiaries (e.g. households with social exclusion benefits) per capita. By using the outcomes of the monitor, municipalities can adjust their policies to improve the performance of specific tasks.
- The Ministry of the Interior and Kingdom Relations³⁰ publishes financial information annually on the expenditure of municipalities.³¹ Expenditure on specific tasks (particularly in the social domain, which includes youth care and social support) are easily comparable between municipalities (expenditure per capita).

2 Reporting/review tools for public social spending

2.1 Performance audits

The Court of Audit writes an annual audit performance report for every ministry. This is anchored in legislation and is part of the budgetary cycle. Currently these reports are publicly available for the years 2011 to 2020.³² In the performance audit the Court determines whether central government receives and spends public funds in accordance with (semi-)legal regulations. Furthermore, the Court audits the effectiveness of policies: it examines whether ministries provide enough information on this issue, whether policies have the intended effect, and whether it is possible to achieve the intended goals.

The audit also considers efficiency – whether ministers spend the right amount of money to achieve the intended results, or whether there are less expensive ways to achieve the

²⁵ Youth care involves child protection, youth probation, and mental healthcare. See:

<https://www.government.nl/topics/youth-policy/youth-care-and-child-protection>.

²⁶ <https://publicaties.rekenkamer.amsterdam.nl/onderzoeksprogramma-amsterdam-2021/>

²⁷ Available at: <http://www.waarstaatjegemeente.nl>.

²⁸ The VNG collects data from municipalities, the CBS, COELO institute, DUO, GGD, Land register, Chamber of Commerce, de Kiesraad, NOC*NSF, Logius, the RIVM, and veiligheid.nl.

²⁹ <https://www.vngrealisatie.nl/producten/etalage-monitoring-sociaal-domein>

³⁰ Available at: <http://www.findo.nl>.

³¹ The Ministry of the Interior and Kingdom Relations makes use of the Iv3 database. Within this database the expenditure of municipalities is categorised.

³² <https://www.rekenkamer.nl/onderwerpen/verantwoordingsonderzoek>

same goals. The Court makes recommendations for improving both the efficiency and the effectiveness of policies. When governmental policies do not achieve their intended results, the audit is designed to provide insights into the causes of failure. Finally, the audit provides recommendations on what further measures ministries should take to achieve the required results.³³

The audit is conducted in accordance with the ISSAI (International Standards of Supreme Audit Institutions). The ISSAI requires the Court of Audit to regularly test its independence, reliability, and competence.³⁴

Regarding the 2020 performance audit of ministries,³⁵ the Court of Audit performed the following tasks.

- It evaluated the effectiveness and legitimacy of ministerial spending in 2020, and described the operational management with a focus on identified deficiencies.
- It described the results of policies, with particular attention to changing policies and their effect on society. In the 2020 report on the Ministry of Social Affairs and Employment, the Court described a policy designed reduce the risk of poverty. The Court argued that the minister had not sufficiently substantiated the effects on different groups in the population. The Court therefore made several recommendations, such as removing certain obstacles for citizens (such as simplifying and renaming legislation), and monitoring the implementation of the policy.
- It followed up on recommendations made in performance audits in previous years. For example, regarding policy on reintegrating disabled people, the Court wrote that: “*while there is some insight in the expenditure on reintegration, there is no insight in its effectivity or functionality*”.³⁶ Due to this audit the Ministry of Social Affairs and Employment commissioned further research to gain more insights into the effectiveness of its policy.

The performance audit is a powerful tool in the evaluation and improvement of public (social) spending. A recommendation made by the Court of Audit gives ministries a clear signal that their policy is ineffective or inefficient. Since the audit is performed annually, and the Court monitors and follows up previously made recommendations, ministries are under significant (political) pressure to improve their policies. As a result, ministries often reform their policies, which leads to more effective governing.

2.2 Evaluation system

In addition to the performance audits of the Court of Audit, the central government has its own system of evaluation for all ministries. These evaluations give insights into the quality of political choices and the execution of policy, thereby evaluating its effectiveness and efficiency.³⁷ Policy evaluations require the following conditions to be fulfilled.

- The research should state which policy is being evaluated and what the current policy goals are. Are the policy goals achieved?
- The research should examine to what extent the policy and related expenditure are effective and efficient. What are the aspects of policy that need improvement or adjustment to become more efficient or effective?
- The conclusions of this evaluation must be underpinned by the underlying findings.

³³ <https://english.rekenkamer.nl/about-the-netherlands-court-of-audit/what-we-do/performance-audit>

³⁴ <https://www.rekenkamer.nl/onderwerpen/verantwoordingsonderzoek/over-dit-onderzoek/ons-onderzoek>

³⁵

<https://www.rekenkamer.nl/onderwerpen/verantwoordingsonderzoek/documenten/rapporten/2021/05/19/resultaten-verantwoordingsonderzoek-2020-ministerie-van-sociale-zaken-en-werkgelegenheid>

³⁶ Algemene Rekenkamer (2020).

³⁷ <https://www.rijksfinancien.nl/beleidsevaluatie/evaluatiestelsel>

- The research method should be valid and reliable.
- The report should describe the evaluation method, and its limitations in determining the effectiveness of the policy.

There are multiple reporting tools for evaluating policy. The evaluation system encompasses the evaluation of future (*ex ante*), current (*ex durante*), and past (*ex post*) policies. Some evaluations are commissioned by the ministries independently, while other evaluations, which cut across the policies of different ministries, are commissioned by the Cabinet. The Compatibility Act states that ministries are obligated to review their policies periodically.³⁸ These evaluations are anchored in legislation and the specific topics are determined ad hoc, based on a need for specific information.³⁹

Within the evaluation system, hundreds of evaluations are executed annually. To determine which policy should be examined, a Strategic Evaluation Agenda is produced.⁴⁰ This agenda gives insights into the most important policies of a ministry and explains the urgency for the desired insights within these policies.

2.3 Evaluation tools

Within the evaluation system, the central government makes use of multiple policy evaluation tools.

- a. Periodical policy checks, as part of the “Insight in Quality” operation. Ministries must evaluate every policy theme (e.g. labour market, unemployment, childcare, sickness, survivors, and disability) once every seven years. These checks evaluate the effectiveness of policies and give insights into possible improvements. This type of evaluation focuses on obtaining more insights into the actual operations of policy and using those insights to improve the quality of the policy.⁴¹

Within Insight in Quality, three themes are identified, as follows.

- Strategic evaluation: to gain more insight into the entire policy cycle, with a focus on the start of the cycle.
- Continual improvement: to make use of and implement policy changes based on renewed insights.
- Learning together: by making use of co-operation, and by learning from others.

Several periodical policy checks are completed (old-age provision, survivors, unemployment, social integration, and disability, among others). For example, in 2019, an evaluation considered the extent to which policy prevents poverty among pensioners. This research was conducted because a change in policy lowered social expenditure. As a result of this evaluation, a monitor was installed to track the effects of this policy change and to provide insights into current and future policy.⁴²

- b. Inter-departmental policy research, commissioned by the Cabinet to develop future policy that cuts across specific policies and ministries. When an evaluation is completed, it is presented to the Parliament, along with the response of the Cabinet. In its reaction, the Cabinet describes which recommended policy changes are to be prioritised and implemented, and which are currently unattainable.

³⁸ <https://wetten.overheid.nl/BWBR0039429/2018-01-01>

³⁹ <https://www.rijksfinancien.nl/financieel-jaarverslag/2020>

⁴⁰ [https://www.rijksfinancien.nl/sites/default/files/bestanden/Beleidsevaluaties/bijlage-2-uitwerking-strategische-evaluatie-agenda%20\(2\).pdf](https://www.rijksfinancien.nl/sites/default/files/bestanden/Beleidsevaluaties/bijlage-2-uitwerking-strategische-evaluatie-agenda%20(2).pdf)

⁴¹ <https://www.rijksfinancien.nl/beleidsevaluatie/oijk>

⁴² <https://www.rijksoverheid.nl/documenten/rapporten/2019/12/20/beleidsdoorlichting-artikel-8-oudedagsvoorziening>

- c. Social reappraisals, giving insights into the direction of future policy, based on an evaluation of current effectiveness and efficiency. The overall goal of the reappraisal is to determine which policy choices lead to which specific outcomes. The outcomes of this type of evaluation give politicians a clear overview of possible choices and outcomes. The evaluation of options should give sufficient information for all the different political parties. The reappraisals also evaluate the possible downsizing of current policies. Evaluation reports describe the options for savings within current policies, and the possible outcome-effects, by identifying which components are an integral part of the policies' effectiveness and which components might be worth saving on without affecting effectiveness. The researchers make a comparison with policies and effectiveness in other countries, or with previous policies.⁴³ The reappraisals cover spending on a wide variety of social policy areas, including equal opportunities in education, an inclusive society, and a future-proof healthcare system.
- d. SCBAs. These are an important tool in the *ex ante* stage of policy. An SCBA often evaluates specific policy proposals by reviewing their expected positive and negative effects on society. These include effects that are hard to monetise, such as improvements in health or the impact on safety. By monetising all the expected effects, an SCBA discounts future benefits and drawbacks and brings all the different kinds of effects of the policy proposal down to one denominator. This type of analysis gives policy-makers a clear overview and structured advice so that they can make a more informed decision. Different SCBAs are conducted to improve the social well-being of the unemployed, to reduce the negative effects of homelessness,⁴⁴ and to improve the effectiveness in the social domain.⁴⁵

2.4 Other reporting

Next to the performance audits of the Court of Audit and the evaluation system of central government, there is reporting by other institutions such as the policy evaluations of the SCP. The SCP is a governmental agency that carries out its work independently and on a scientific basis. It conducts research into the social aspects of all areas of government policy. The main fields studied are health, welfare, social security, the labour market, and education, with a particular focus on the interfaces between these fields. The reports published by the SCP are widely used by the government, civil servants, local authorities, and academics.⁴⁶ The SCP monitors, explains, and explores the social and cultural well-being of people living in the Netherlands. Its activities include monitoring life situations and quality of life, evaluating government policy in this regard, and performing forward studies in support of future policies. The SCP produces numerous research publications about life in the Netherlands, focusing either on the population in general (Social and Cultural Reports) or on specific groups such as the disabled or people in poverty. The SCP aims to enable social policy-makers to respond to change.⁴⁷

Next to the SCP, the CBS also reports on the social outcomes of policies. The CBS reports annually on wealth and welfare in the Netherlands, thereby monitoring social outcomes such as overall satisfaction, risk of poverty⁴⁸ (including trends, demographic aspects, and geographical aspects), income and capital inequality, and purchasing power.

⁴³ <https://www.rijksoverheid.nl/documenten/kamerstukken/2020/04/22/rapporten-brede-maatschappelijke-heroverwegingen>

⁴⁴ <https://www.cebeon.nl/diensten/maatschappelijke-kosten-batenanalyse-mkba/>

⁴⁵ <https://www.rijksfinancien.nl/beleidsevaluatie/evaluatiestelsel/MKBA>

⁴⁶ <https://english.scp.nl/>

⁴⁷ <https://www.scp.nl/publicaties/publicaties/2020/06/18/kansrijk-armoedebeleid>

⁴⁸ <https://longreads.cbs.nl/welvaartinederland-2019/armoede-en-risicogroepen/>

2.5 Sub-national reporting

The VNG supports municipalities with the exchange of knowledge and experience regarding the implementation of national and local policies. To allow for this exchange the VNG has developed multiple evaluating tools, such as a tool for an SCBA of social neighbourhood teams.⁴⁹ This allows local policy-makers to make an estimate of the possible improvements and drawbacks of a change in policy.

Apart from the national Court of Audit, each municipality has an independent local Court of Audit. Local Courts should research the effectiveness, efficiency, and legality of the legislation by municipalities. They promote the quality of local governance, including the effectiveness of social spending.⁵⁰ Recommendations made by a local Court, like those of the national Court of Audit, often lead to reforms and improvements in local policies.

In addition, ad hoc local government reports are published on specific themes (e.g. social disadvantage and poverty). In the Netherlands policy research is an important driver of policy innovation. A municipality may use similar instruments to the tools used in the evaluation system of central government (see above). The results of the evaluation may lead to the creation of new measures and reforms of local policy.⁵¹ This type of reporting applies to a wide range of different policies. In larger cities, there is a particular focus on poverty-reduction and equality.⁵²

⁴⁹ <https://vng.nl/publicaties/kosten-batenanalyse-sociale-wijkteams-tool-voor-gemeenten>

⁵⁰ <https://www.rekenkamer.amsterdam.nl/over-ons/werkwijze/>

⁵¹ <https://data.amsterdam.nl/publicaties/publicatie/monitor-jeugdwerkloosheid-amsterdam-2020/29270f6b-d7e2-4e87-88f5-e084afa47976/>

⁵² <https://www.eur.nl/nieuws/rotterdams-onderzoeksprogramma-aanpak-kinderarmoede>

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