

What is Priority-Based Budgeting?

Priority-Based Budgeting (PBB) allocates budget dollars according to how effectively a program or service achieves the strategic goals and results that are of the greatest value to the community. Priority-based budgeting enables Strathcona County to better understand the programs it provides citizens and businesses; the value they offer, how much they cost, and how they reflect community priorities. Priority-based budgeting, along with other data and considerations, help Strathcona County develop future budget recommendations. The process is reshaping our conversations to focus on priorities. This is a critical step on the path to becoming Canada's most livable community.

Program inventory

As part of the priority-based budgeting process, Strathcona County has developed a comprehensive list of programs, which includes their description and approved budget operating cost. The program inventory is valuable information and helps build a common understanding of what the County provides citizens and businesses, and assists in meeting service delivery and fiscal objectives for long-term sustainability.

In 2017, the organization's 319 programs were examined and evaluated relative to the contribution to achieving strategic results and attributes.

Results

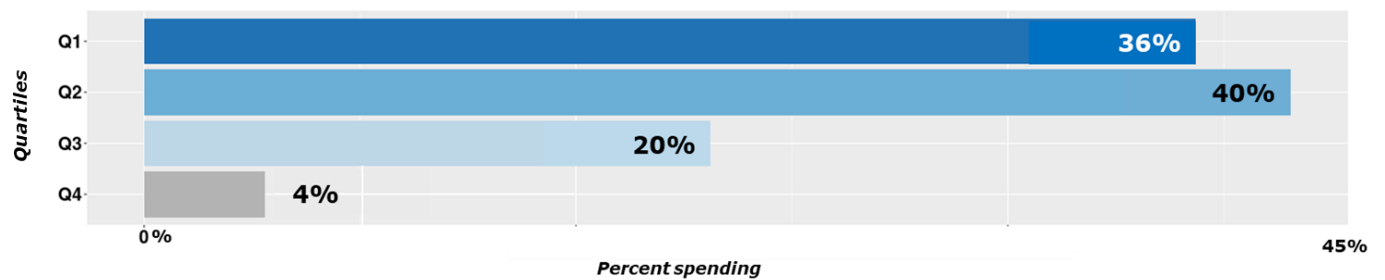
Results are the fundamental reason we exist. Results are distinguished between community-oriented results which help define why programs are offered to the community. Community-oriented results are aligned with Council's prioritized strategic goals. Meanwhile, governance-oriented results define why internally focused programs are offered by support functions, such as Human Resources or Financial Services.

Attributes

Attributes are additional characteristics of a program, including cost recovery of the program or mandate to provide the program.

Each department scored their programs against both the results and attributes. For quality control, peer review teams were assigned to review program scores for each department. Based on additional information provided and further discussion, the final scores were determined. The programs were then grouped into quartiles based on similarity of scoring ranges, not ranked one versus the other. Individual costs associated with each program form a spending array by quartile. This process creates a new lens through which we can analyze how dollars are spent and how each program aligns across results, as well as to individual results. For example, a quartile one or two program impacts multiple results, whereas a quartile three or four program may have influence on only one or two results.

Strathcona County's 2017 spending array showing the 319 programs in 2017 and their quartile alignment



According to the Centre for Priority-Based Budgeting, the founders of Priority-Based Budgeting, Strathcona County has a healthy spending array as majority of our program spending are focused in quartile one or two, where programs contribute to multiple strategic results.

Using Priority-based budgeting

Priority-based budgeting is a valuable tool to support evidence-based decisions related to resourcing existing programs, new initiatives, staffing requests and capital projects. Budget decisions use data to inform decision making on how overall resources align to results. Council begins the priority-based budgeting process by clearly articulating the prioritized results. Implementation of priority-based budgeting is a multi-year process and will continue to evolve through learning and ongoing review.