

Priority Based Budgeting

Parkland County

Presented by:



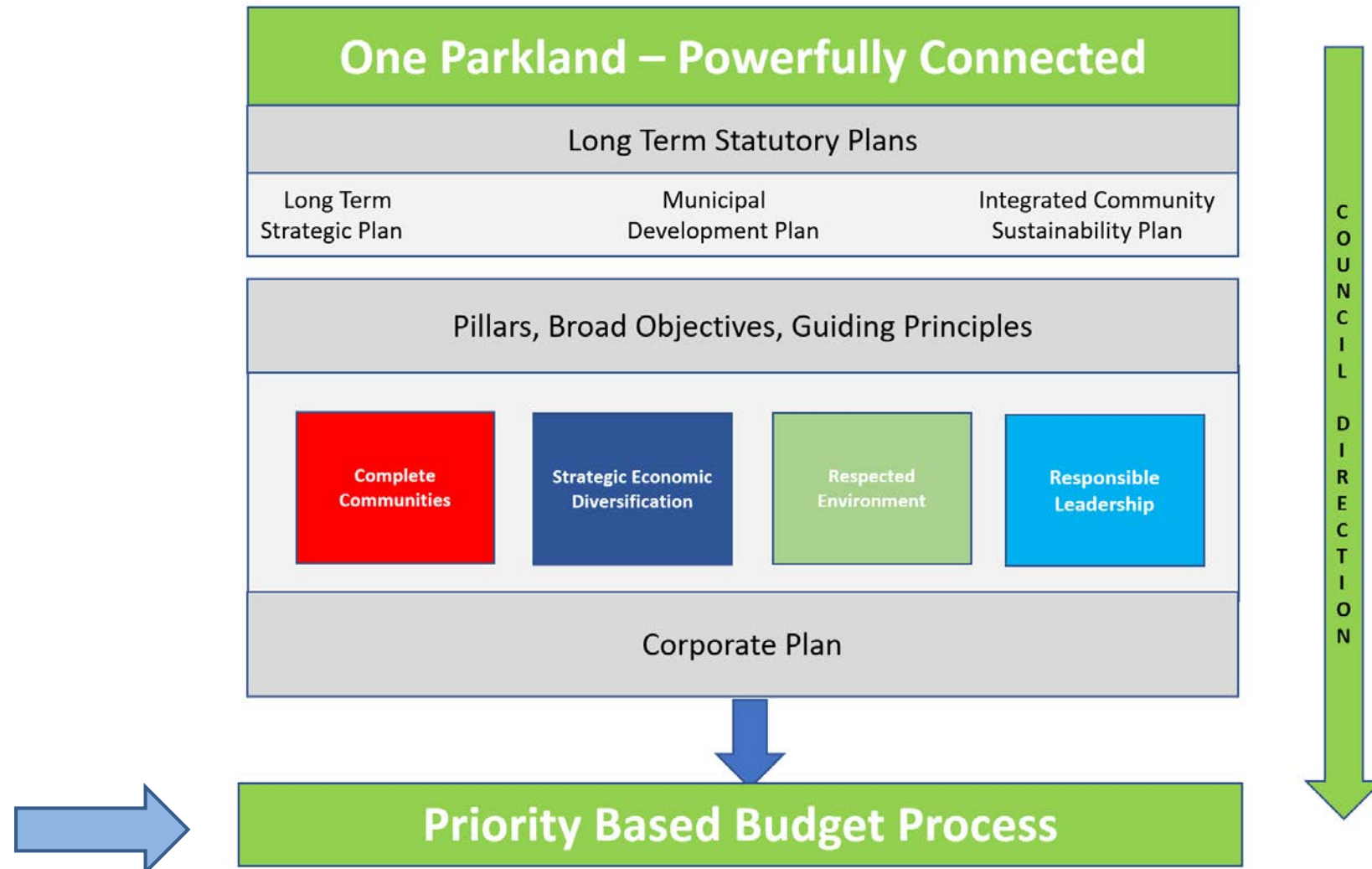
PBB Project Background

1. Council driven project
2. Administration responded to the project request
3. Bloom taking action on project as external project team



PBB – Component of the Strategic Planning Framework

- PBB enables the Strategic Planning framework
- Priorities stem from Council's Strategic Plan.
- PBB "enables and actions" the Strategic Plan vision and goals through the corporate plan, business plans and budget
- PBB illuminates corporate priorities and informs decision makers to make priority aligned resource decisions



EC Reminder - PBB Advantage

- **Links to public input and Council vision and goals (Strategic Plan) to service priorities.** A process that links Council priorities to:
 - a) Administrative plans (business planning)
 - b) Tangible action (budget)
- **Increase positive public communication/engagement.** By increasing resident awareness of everyday services, the understanding of value for taxes is enhanced.
- **Positive effect on organizational culture.** Staff are more aware of the positive impact they have on resident quality of life. This awareness contributes to inspiration and motivation.
- **Clarifies current organizational challenges and opportunities in the context of long-term strategic goals.** The Municipal Bloom Scan© annually illuminates challenges to overcome and opportunities to pursue (4 year, and 25 year goals and vision).
- **Evidence based decisions.** Processes do not make decisions, people do. PBB tools inform decision makers with relevant evidence for better decision making.
 - a) Bloom Scan© results
 - b) 3 year operating and 5 year capital forecasts and funding challenges
 - c) Priority menu (service identified and prioritized)



PBB Advantage

- **Question Past Patterns of Spending:** An incremental budget process does not seriously question the spending decisions made in years past. The priority-driven budget process puts all the money on the table to encourage conversations about services priorities.
- **Question past practices:** Priority based budgeting process allows past practices to be questioned thus leaning the business planning and budget processes.
- **Spend within the Organization's Means:** Priority Based Budgeting starts with the revenue available to the government, rather than last year's expenditures, as the basis for decision making.
- **Know the True Cost of Doing Business:** Focusing on the full costs of programs ensures that funding decisions are based on the true cost of providing a service.
- **Provide Transparency of Community Priorities:** When budget decisions are based on a well-defined set of community priorities, the government's aims are not left open to interpretation.
- **Provide Transparency of Service Impact:** In traditional budgets, it is often not entirely clear how funded services make a real difference in the lives of citizens. Under priority-driven budgeting, the focus is on the results the service produces for achieving community priorities
- **Demand Accountability for Results:** Traditional budgets focus accountability on staying within spending limits while PBB concentrates accountability on results that further the achievement of goals and priorities.



The Return from PBB

- Priority Based Budgeting's return on investment is significant and is four-fold:
 1. Strategic
 2. Financial
 3. Service excellence
 4. Streamline and improve overall budget process
- **Strategic** – The PBB process furthers strategic vision and goals by linking tangible plans and actions through the corporate, business plan and budget process.
- **Financial** – PBB provides mechanisms to reduce non priority services in times of fiscal constraint avoiding “across the board cuts”. Conversely, it identifies which services (programs) new resources should be allocated to, aligning strategic and operational goals. Any financial gap can be overcome by using PBB. **“Financial return will be easily measurable and compounds”**
- **Service excellence** – Resources allocated to priorities enhances service excellence in areas that matter most to residents - increase quality of life.
- **Streamline and improve overall budget process** – PBB improves the overall budget by eliminating waste and retaining value and benefits “lean thinking”

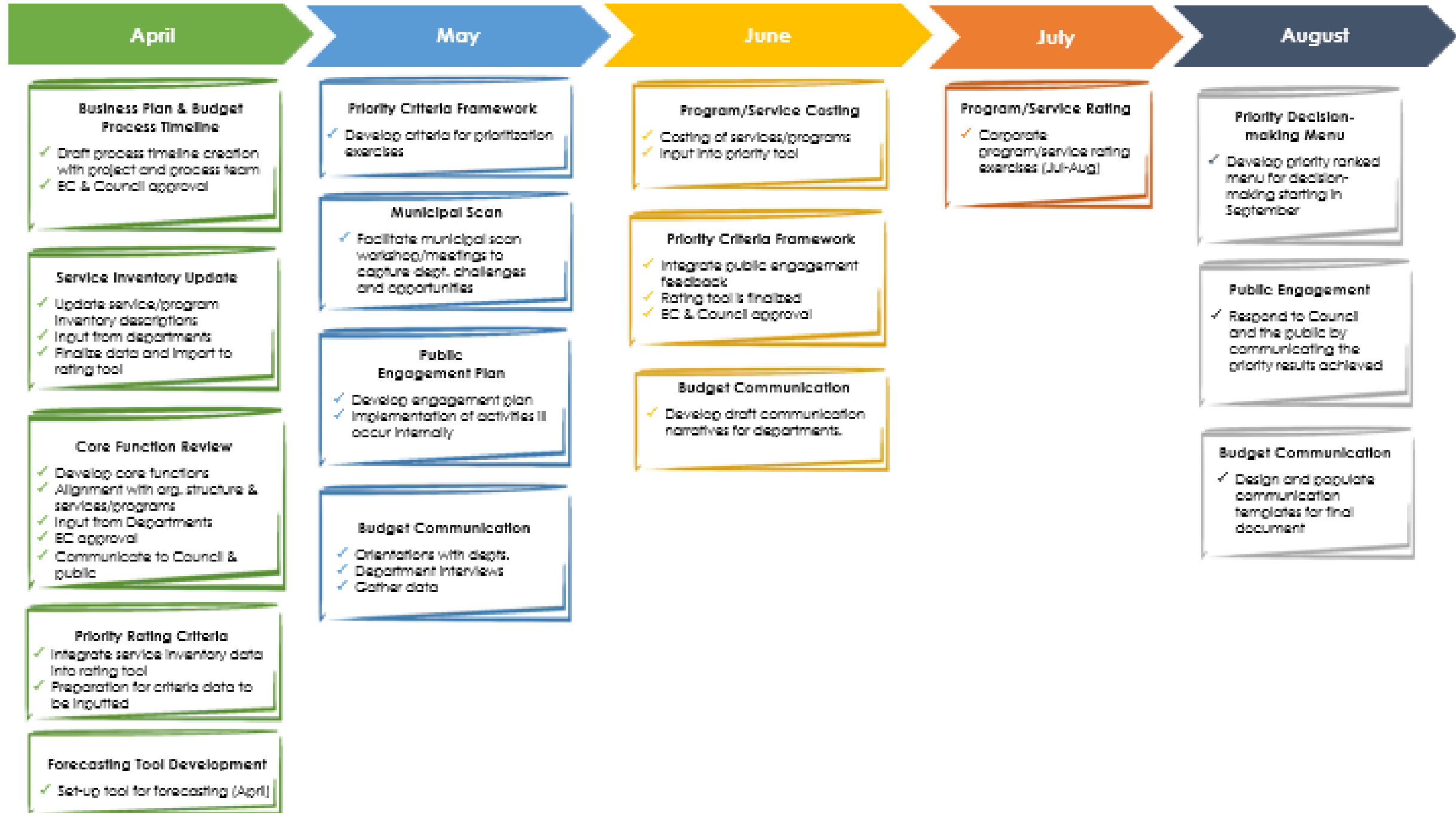


Project Update

- The PBB project has commenced
- Bloom associates (external project team) have offered to deliver the project tasks to alleviate internal capacity constraints for the following:
 1. Corporate planning advice/analysis including the completion of service inventory, core function review, process timeline development, program/service rating
 2. Finance analysis including the development of operating forecasting and program/service cost estimates
 3. Communication development including generating project awareness, creating a public engagement plan, and developing budget communication
- Three work streams
 1. PBB foundation
 2. PBB project output
 3. PBB decision-making



Project Milestones



PBB Foundation

1. PBB process timeline – In progress – Pending Parkland County review
2. Core function review – In progress – Pending Parkland County review
3. Service inventory description development – In progress – Pending Parkland County review
4. Rating tool development – In progress (April completion)
5. Public engagement plan – In progress – Pending Parkland County review
6. Priority themes - In progress with Bloom (April completion)
7. Priority questions for rating – In progress with Bloom (April completion)
8. Public engagement questions – In progress with Bloom (April completion)
9. Department project awareness meetings – In progress with Bloom and Parkland team
10. Service inventory costing – In progress with Bloom (June completion)



PBB Outputs

1. Three year forecast (May)
2. Service inventory cost estimates (June)
3. Public engagement completion (July/August)
4. Program/service ratings (August)
5. Priority decision-making menu (September)
6. Budget narrative (June – October)



PBB Decision-Making

1. Utilize PBB for Executive Committee decision-making (September/October)
2. New business cases in 2020 for:
 1. Staffing
 2. Operating projects
 3. Capital projects
 4. Program/service level changes
3. Core budget for service level changes (2021 budget)
4. Present a PBB themed budget to Council (November)



Next Steps

1. PBB approval route
2. Creation of steering committee
3. Project champions – Executive Committee
4. Project Charter – In progress



Questions?

