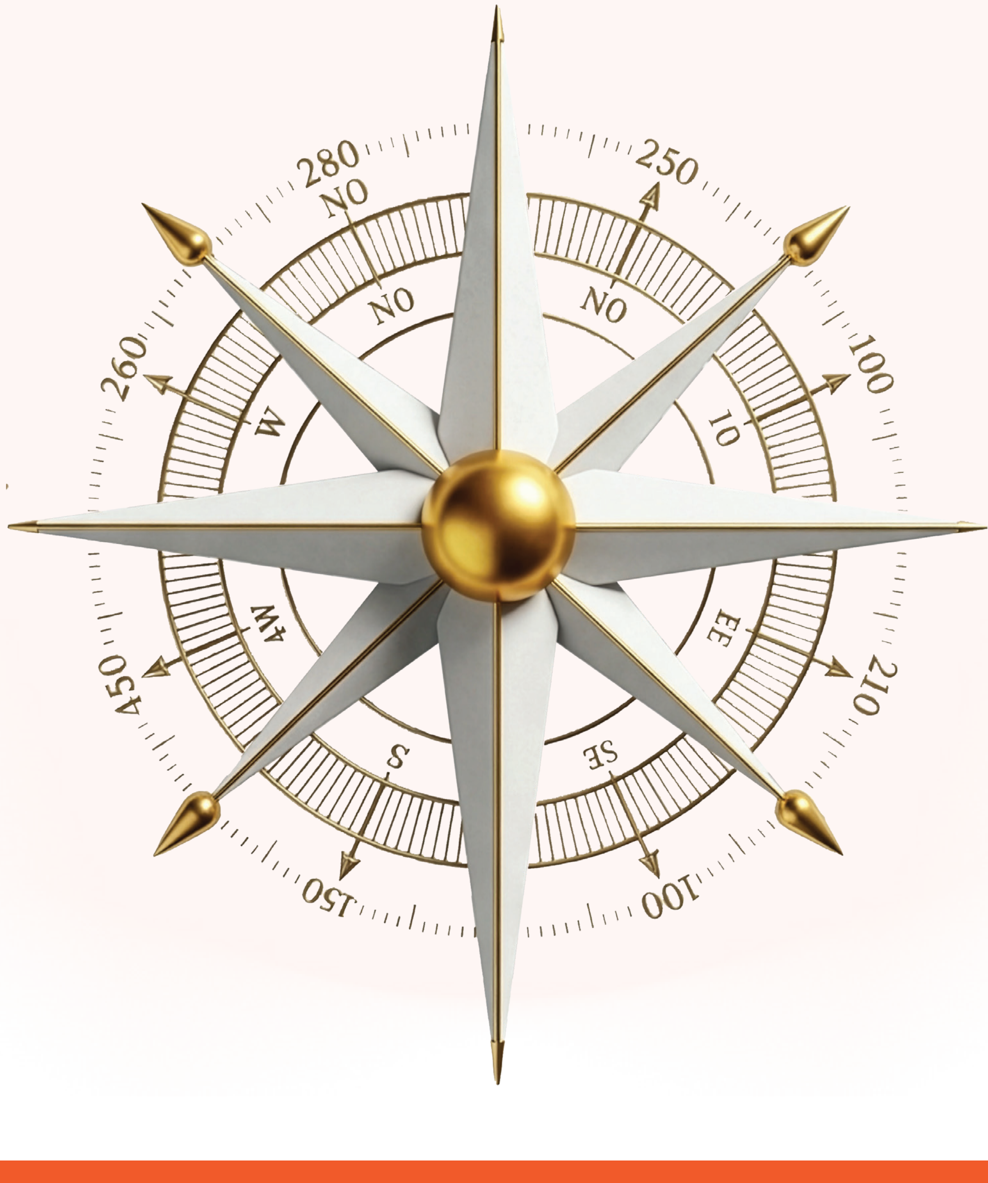
CORE
CONCEPT

Zero-Based Budgeting for Government: Decision Packages and Spending Prioritisation



Zero-Based Budgeting for Government: Decision Packages and Spending Prioritisation

Technical depth: Practitioner · **Practical mode:** Modelling build

Introduction

Government budgets often grow by adding a percentage to last year's allocation, so legacy activities are funded by default while new priorities compete for whatever remains. Finance leaders are then asked to find savings without the evidence to show which services matter most. This Core Concept course equips budget and planning professionals to rebuild expenditure from a zero base: defining decision units, costing activities, building decision packages at alternative service levels and ranking them against policy priorities. Participants build each element on case data and leave with a Zero-Based Budget Submission for their own unit.

Course Objectives

- Assess whether an entity's budget process and data can support a zero-based review, and scope where to apply it
- Define decision units and cost their activities using activity-based and time-driven costing methods
- Build decision packages at minimum, current and enhanced service levels, each with outputs, outcomes and consequences of non-funding
- Rank decision packages against policy priorities and fiscal ceilings using transparent scoring criteria
- Manage the risks of zero-based reviews and link their results to spending reviews and budget execution reporting
- Produce a Zero-Based Budget Submission ready for review by a budget committee

Target Audience

- Budget and financial planning managers in ministries, agencies and public authorities
- Strategy and performance managers who link budgets to programme objectives and indicators
- Programme and service managers responsible for justifying departmental expenditure
- Cost accounting and management reporting leads supporting budget submissions
- Internal budget committee members and reviewers who challenge and approve funding requests

Course Outline

Day 1: Budgeting Approaches and Zero-Based Readiness

- Incremental, Performance-Based and Zero-Based Budgeting Compared
- OECD Recommendation on Budgetary Governance: The Ten Principles
- Expenditure Classification Using GFSM 2014 Economic Categories and COFOG Functions
- Baseline Expenditure Analysis from Budget Execution Reports
- Zero-Based Readiness Assessment: Data, Capacity and Leadership Mandate

Day 2: The Zero-Based Method and Supporting Frameworks

- Pyhrr Zero-Based Budgeting Model: Decision Units, Decision Packages and Ranking
- Programme Logic Model Linking Inputs, Activities, Outputs and Outcomes
- OECD Good Practices for Performance Budgeting: Using Performance Information
- PEFA 2016 Indicators on Budget Reliability and Strategic Allocation
- Medium-Term Expenditure Framework and Fiscal Ceilings

Day 3: Building Decision Packages

- Decision Unit Mapping Against the Organisation Chart and Chart of Accounts
- Activity Costing with Time-Driven Activity-Based Costing
- Service Level Options: Minimum, Current and Enhanced Funding Levels
- Decision Package Template: Cost, Output, Outcome and Consequence of Non-Funding
- Alternative Delivery Options Appraisal: In-House, Shared Service and Outsourced

Day 4: Ranking, Risk and Sustaining the Approach

- Multi-Criteria Package Ranking Matrix with Policy Priority Weights
- Cut-Off Line Analysis Against the Budget Envelope
- Zero-Based Review Risks: Workload, Gaming and Service Continuity Controls
- Rolling Zero-Based Reviews Integrated with OECD Spending Review Practice
- Budget-to-Actual Reporting Under IPSAS 24 and Package Performance Tracking

Day 5: Modelling Build and the Zero-Based Budget Submission

- Municipal Services Case: Rebuilding a Maintenance Budget from Zero
- Health Agency Case: Ranking Competing Programme Packages Under a Fiscal Ceiling
- Decision Package Set and Ranking Model Build for an Own Unit
- Zero-Based Budget Submission Drafting with Savings and Reinvestment Case
- Mock Budget Committee Hearing and Submission Defence

Skills You Will Gain

- Zero-Based Budget Design
- Public Service Activity Costing
- Decision Package Development
- Expenditure Prioritisation
- Performance-Informed Budgeting
- Fiscal Envelope Management
- Budget Justification
- Spending Review Analysis

Why Attend This Course

- Return to work with a Zero-Based Budget Submission for your own unit, already tested at a mock budget committee
- Show decision makers what each funding level buys in services and outcomes, not only what it costs
- Identify legacy spending that no longer serves current priorities and make the case for redirecting it
- Compare budgeting practice with public finance professionals from other countries and levels of government

Conclusion

A zero-based approach earns its effort only when it changes where public money goes. This course moves from comparing budgeting approaches and testing readiness, through the zero-based method and the performance and fiscal frameworks around it, to building, costing and ranking decision packages and managing the risks of the review itself. The final day turns that work into a Zero-Based Budget Submission that participants take back to their entity, giving them a transparent, evidence-based way to justify every allocation they request or approve.