



Programme Budgeting in Singapore

Enabling a networked Government approach to cross-agency issues

Nov 2004

AGENDA

- Singapore's Expenditure Management Policy**
- The Need for Programme Budgeting**
- Benefits of Programme Budgeting**
- Implementation Approach and Challenges**
- Measuring Performance**

Expenditure Management

Aims

- Promote sustained and non-inflationary economic growth
- Invest in the future
- Live within our means
 - Long term sustainability-
Operating Revenue \geq
Operating Expenditure + Development Expenditure

Key Principles

1. Establish Limits
2. Maximise Discretion
3. Measure costs

RATIONALE

OBJECTIVE

PROGRAMME BUDGETING
SUPPORTS
THE OPERATIONALISATION
OF STRATEGIC POLICY
DIRECTIONS BY
ENABLING A NETWORKED
GOVERNMENT APPROACH
TO CROSS-AGENCY ISSUES

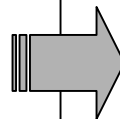
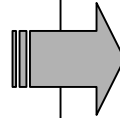
VALUE-ADD

- ✓ **Whole of government perspective** to policy-making
- ✓ **Incentivises** agencies to approach issues from a horizontal vs. agency-centric perspective
- ✓ Provides greater **visibility** & **transparency** of the level of government spending in a policy area
- ✓ Allows for in-year **budget reprioritisation**, while ensuring budgetary discipline

IMPLEMENTATION APPROACH

GUIDING PRINCIPLES

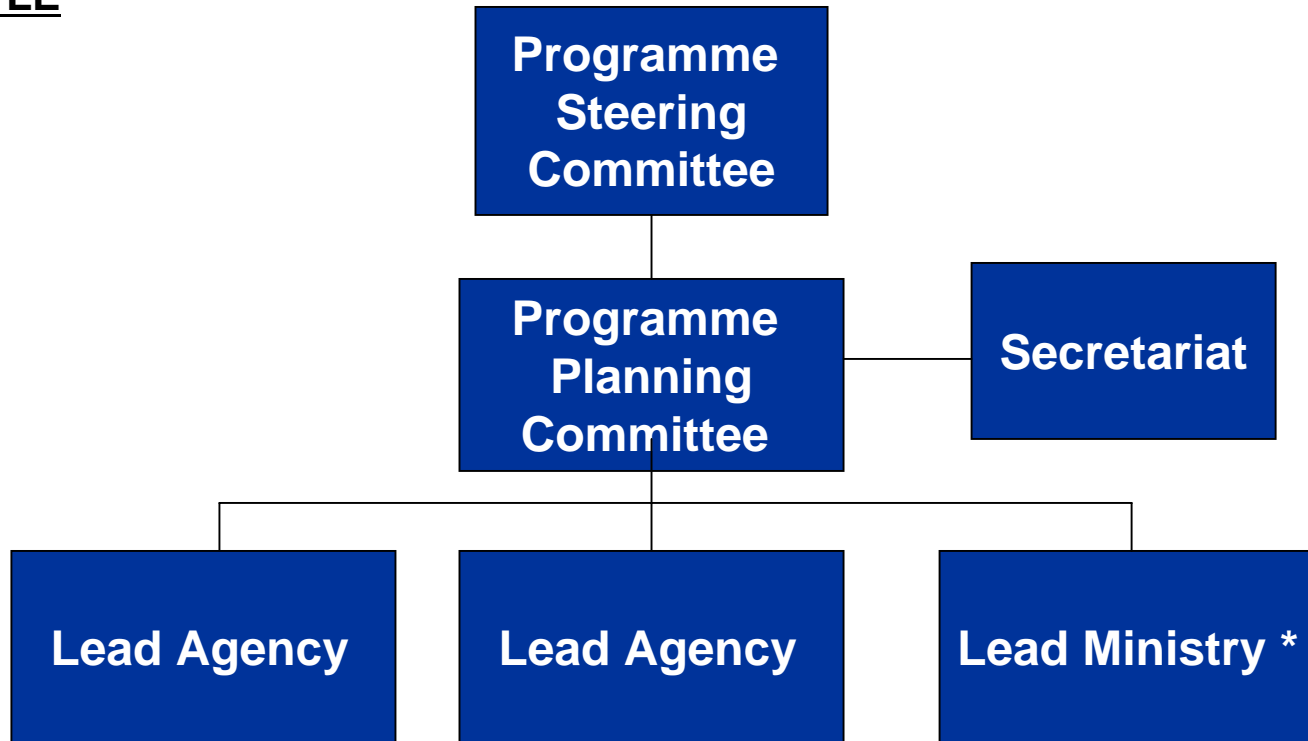
- ❑ **Autonomy, flexibility, and accountability** over the use of funds
- ❑ Programme budget should be used to fund projects that are aligned with national strategies/priorities and require a high degree of **inter-agency collaboration**
- ❑ Joint ownership over **shared outcomes**



- ❑ Authority vested with an Inter-agency Programme Committee(PC) to endorse and approve use of funds
- ❑ Programme budget could be voted to a Lead Ministry or MOF and subsequently ringfenced
- ❑ In-year expenditures could be **reimbursed** to agencies from a Lead Ministry or MOF
- ❑ Alignment of key performance indicators

PROGRAMME GOVERNANCE

EXAMPLE



•Lead Ministry – a ministry that receives more than 50% of funds allocated by the Programme Committee

KEY RESPONSIBILITIES OF PROGRAMME ORGANISATION

RESOURCE	SUGGESTED ROLE
Programme Steering Committee	<ul style="list-style-type: none"> ▪ Represents key stakeholders across agencies ▪ Provides official backing & strategic direction ▪ Approves budget & projects for fiscal year ▪ Reviews fund usage periodically ▪ Accountable for successful delivery of the programme
Programme Planning Committee	<ul style="list-style-type: none"> ▪ Identifies budget requirements based on strategic priorities ▪ Determines funding principles - fund prioritisation, project selection etc for Steering Committee's approval ▪ Provides on-going management oversight over programme costs, resources & risks
Lead Ministry	<ul style="list-style-type: none"> ▪ Responsible for making Reinvestment Fund bids ▪ Operationalises and manages fund allocation to implementing agencies ▪ Works with MOF & Programme Planning Committee on accountability over use of funds ▪ Seeks Ministerial approvals
Secretariat	<ul style="list-style-type: none"> ▪ Provides admin support to programme steering & planning committees ▪ Serves as key contact point for agencies, co-ordination of issues

Funding Framework

- Authority to prioritise and allocate funds vested with Programme Steering Committee
- Approval limits are consistent with current expenditure authorisation limits
- Programme Committee is treated similar to a Ministry

Approving Authority	Limits
Programme Committee (headed by Permanent Secretary)	Up to \$10 million
Minister in charge of Lead Ministry	Between \$10 million and \$50 million
Development Planning Committee	> \$50 million

- New monies can be obtained from the Reinvestment Fund

Challenges

- Ownership and responsibility of the programme
- Creating policy demand for inter-agency projects

Operationalising Programme Budgets

Either:

- Undertaking an ambitious overhaul of key initiatives
- Importance of strong political endorsement

Or:

- Filling or bridging service gaps

Measuring Performance

Government Balanced Scorecard

- Civil service wide initiative
- Key perspectives include finance, customer service, internal processes, learning and growth

Key Performance Indicators (KPIs) for Programme Budgets

- Critical to have a robust performance management framework
- Only a few KPIs to preserve clarity and focus
- Alignment across agencies

Conclusion