

Spending & Strategic Reviews: Getting Ready PPX Webinar Series February 28, 2023

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SSHRC  CRSH

Social Sciences and Humanities Research Council
Conseil de recherches en sciences humaines



PPX

PERFORMANCE AND
PLANNING EXCHANGE



Today's Agenda

- Setting the Stage for Reviews
- International Experience and Directions
- Thinking about Ways to Proceed in Canada
- Discussion
- Preparing for Engaging the PPX Community

Strategic vs. Spending Reviews

A **spending review** is a structured process for systematically scrutinizing baseline expenditures to identify and implement savings measures within existing programs and services.



A **strategic review** is a structured process to identify new value-creating opportunities within an organization. Such opportunities could take the form of adjusting for new policy priorities, re-aligning spending, harmonizing responsibilities or re-framing administrative policies.

Types of Review Processes

SPENDING



STRATEGIC

Periodic/Infrequent

Targeted Approach

Comprehensive Approach



Efficiency Savings

Cuts

Re-allocation



Objectives of Programs

Alignment with Policy

Effectiveness of Spending Processes

Targeted Approach

Comprehensive Approach



Ongoing/Embedded

Design Choices

WHO IS RESPONSIBLE?

Centralized vs Decentralized
Independent Authority
Small teams better than large
Mandatory recommendations?

WHAT IS THE SCOPE?

Targeted vs Comprehensive
Operating/Program Costs
Capital Costs
Transfer Payments
Different skillsets?

WHAT CRITERIA?

Single programs?
Cross-cutting reviews?
Scale of review elements?
Minimum criteria on scale?

Freeland said the 2022 Budget was focused “on growing our economy and on making life more affordable for Canadians”, but said spending plans needed to be reviewed following “extraordinary COVID support” for the economy. “But our ability to spend is not infinite,” she said. “And we will review and reduce government spending, because that is the responsible thing to do.

The **Strategic Policy Review**, which will be led by the President of the Treasury Board, Mona Fortier, will contribute by “ensur[ing] that government programmes are delivering the intended results.”

- Assessing the effectiveness of government schemes in meeting key priorities of strengthening economic growth, inclusiveness, and fighting climate change;
- Identifying opportunities to “save and reallocate resources” to reflect “a new post-pandemic reality.” It will look at digital delivery of public service, and the use of increased virtual or remote work arrangements.
- This plan will target savings of CAN\$6bn (US\$4.8bn) over five years, peaking at CAN\$3bn (US\$2.4bn) annually by 2026-27.
- Alongside this review, Freeland also announced a plan to reduce government spending by up to CAN\$3bn (US\$2.4bn) over the next four years by *cutting back on areas of planned spending* that had not yet taken place: [focus on people](#), [green transition](#), [innovation and productivity](#).

The Minister’s Statements suggest forward-looking Strategic Reviews, but will it will rely on traditional Spending Review repertoires?

Our Project

SSHRC ENGAGEMENT

Two Elements:
PPX Engagement
(functional communities)
Federal/Provincial

PROJECT SCOPE

Two Inquiries:
Canadian Context
Comparator Countries

PROJECT FOCUS

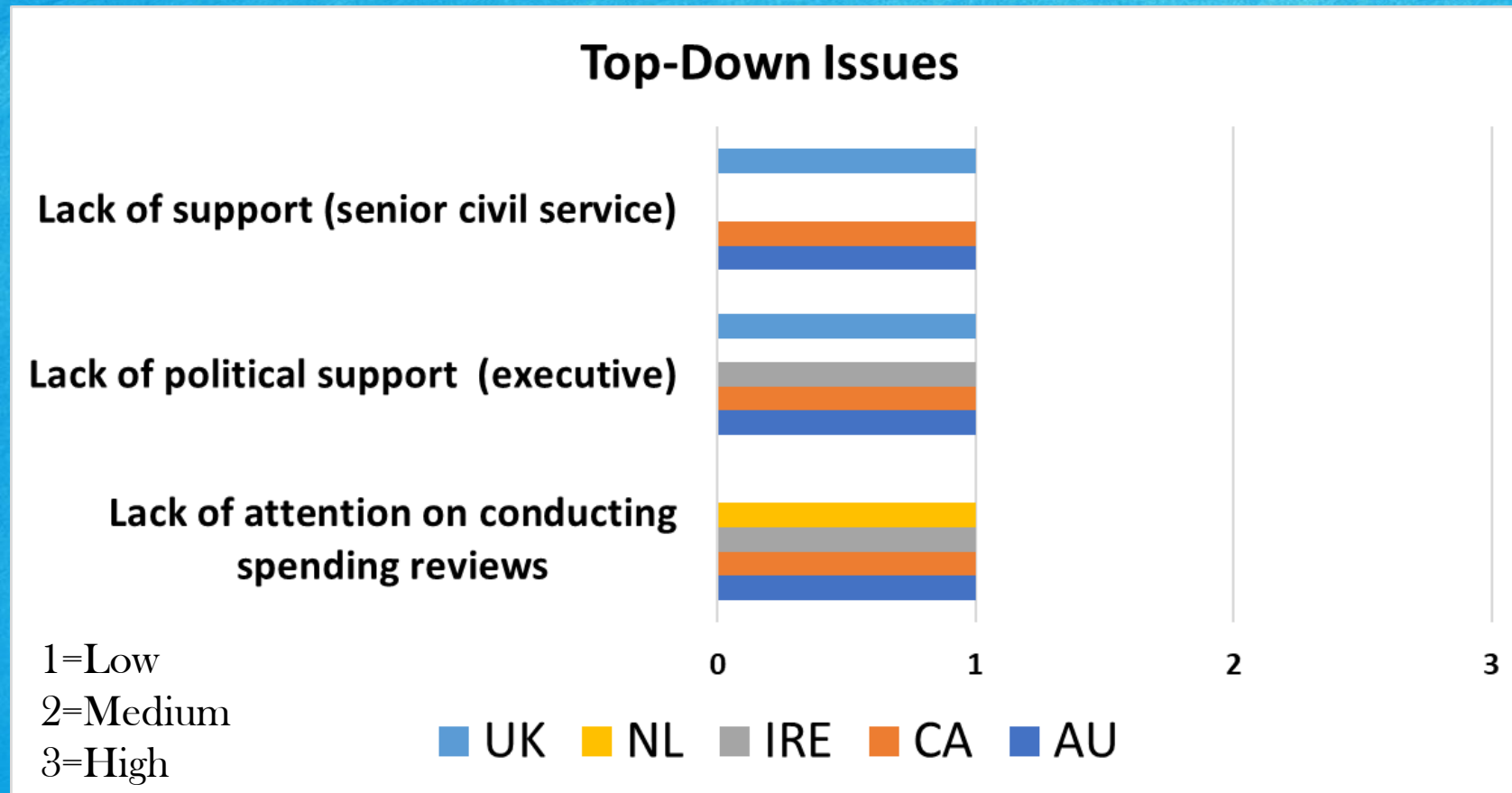
Design Principles
Governance
Structural Concerns
Public vs Internal

Canada and the Comparison Countries

- Canada
- The Netherlands
- Australia
- New Zealand
- United Kingdom
- Ireland

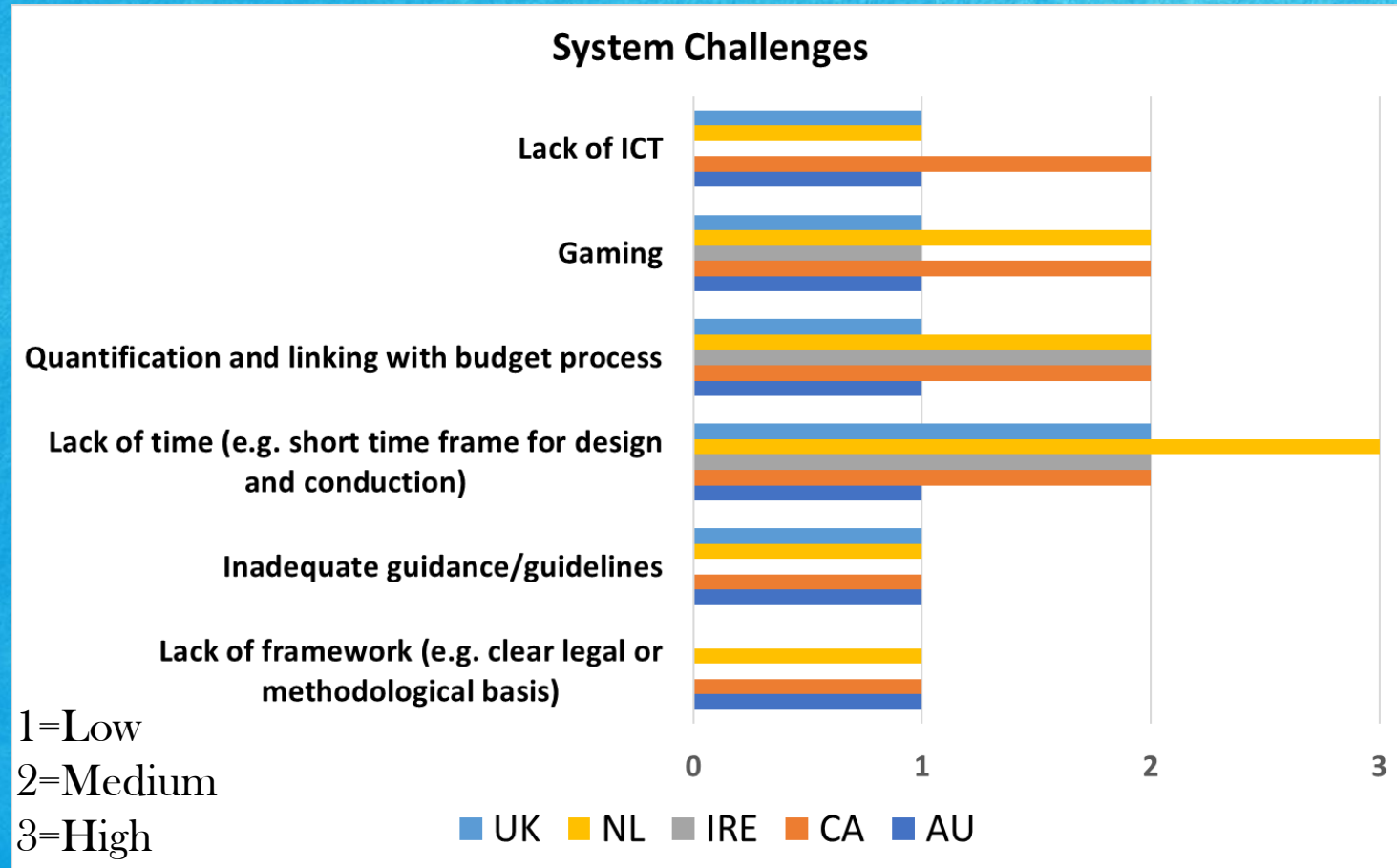
- Japan
- South Korea
- Denmark
- Sweden
- United Arab Emirates
- Saudi Arabia
- South Africa
- Spain

Design Implications: Top-Down Issues



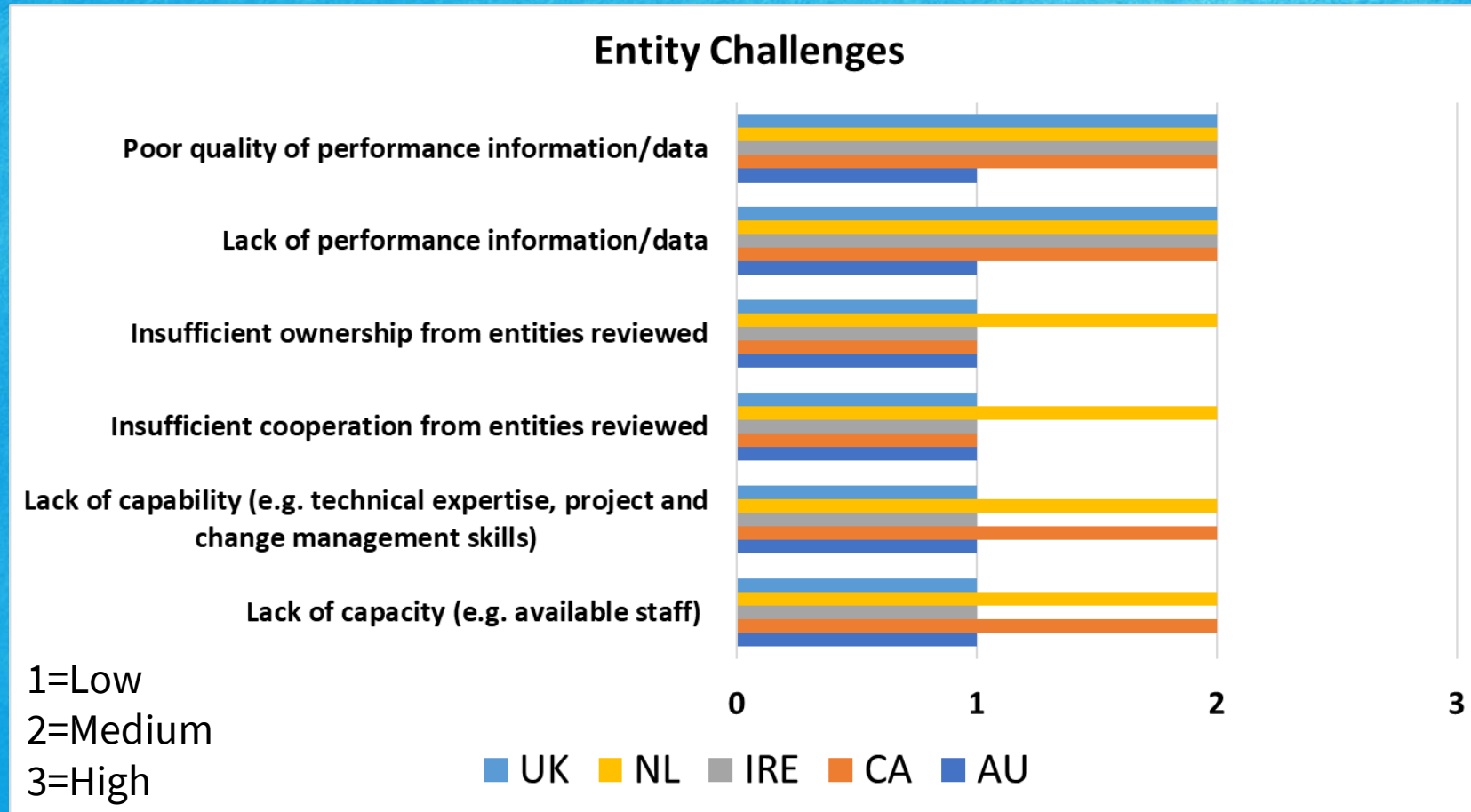
Exemplar countries usually have sufficient political and top officials' support.

Design Implications: System Issues



More problematic are various inputs required to undertake the reviews

Design Implications: Departmental Issues



More surprising is matching of information & capabilities – Canada is not alone.



Some Questions To Consider for the PPX March 21st Focus Group Session

How do you see your role in spending/strategic reviews?

How can PPX's 4 functional communities contribute?

What ought to be the responsibility of central agencies
versus departments and agencies?

How broadly based should the design conversation be?

PPX comprises four communities – Evaluation, Audit, Planning, Performance Management –
and we are looking forward to your insights on these important questions



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