

Module 10: Performance-Based Budget Concepts

Activity C: Developing a performance-based budget

In response to the health budget problem of Y Province, you have been commissioned by the government of X Country to develop a comprehensive personnel budget for Y Province to resolve issues pertaining to the provision of Primary Health Care in the province. Using the learnings from the Performance-Based Budgeting presentation, and the personnel cost information provided below, build a new budget for Y Province's health personnel. Compare your results with the old budget.

The below table shows the current annual subprogramme health budget for Y province. The current projections for salaries of health officials are insufficient for the provincial needs.

	Annual subprogramme budget (X\$, millions)		
Y Province Health Subprogrammes	2021	2022	2023
Primary health care	95	105	115
Salaries of health workers	86	90	95
Training health professionals	43	46	52
Child nutrition project	24	26	30
Office of the Prime Minister	28	32	37
Total	276	299	329

Review this table and brainstorm what should be cut or adjusted to allow more funding for salaries of health workers. For example, asking yourself questions such as what is the Office of the Prime Minister doing with the health budget? And should child nutrition project be taking money from health or it could be funded from other sectors?

Better primary health care would be provided if there were sufficient personnel at each facility. This means that the number of health workers will determine the quality and quantity of PHC services provided. Consider the following information in order to develop a sufficient budget for the needs of Y Province.

- There are 50 primary health care facilities in Y Province.
- Each facility needs a full team of personnel: one doctor, one sister, two nurses, one dietician, two pharmacists, and two data capturers.
- The current Y Province budget covers only 58% of required personnel costs, and does not cover salaries for 'full teams' as indicated in government protocol.

We have been told that the source of problem in health delivery in Y Province is the shortage of funding for personnel as only 58% personnel costs are covered. To get to the correct budget allocation we need to cost all positions or posts required to fulfil the goals of the health

department in Y Province. If we had not been told that the problem is with salaries, we would be compelled to cost all items in the budget, to ensure the budget allocations are as accurate as possible. However, costing requires accurate unit costs to use in our calculations. The unit costs have been provided for this personnel costs in X Country.

Using the given information, please complete the below table.

Item	Unit Cost (X\$, per month)	Fill in the current budget per month. (assume only 58% of unit cost is covered per month for all positions)	Fill in the required budget per month. (Unit cost x 50 facilities)	Fill in the current budget per year. (Current monthly budget x 12 months)	Fill in the required budget per year. (Required monthly budget x 12 months)
Doctor	61,125	e.g. 58% of 61,125 is 35,453 Calculation: 35,453 x 50 facilities = 1,772,625	e.g. 61,125 x 50 = 3,056,250	e.g. 1,772,625 x 12 = 21,271,500	e.g. 3,056,250 x 12 = 36,675,000
Sister in Charge	48,900				
Nurse 1	17,115				
Nurse 2	17,115				
Dietician	26,895				
Pharmacist 1	26,895				
Pharmacist 2	26,895				
Data Capturer 1	9,780				
Data Capturer 2	9,780				
Training per staff member per year	4,500				