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For Information Only

Update on Core Service Review

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report describes work that responds to Motion CC2019-156. It is directly related to Council's "Asset Management and Service Excellence" priority, as the work described here aligns with efforts to address Action 1.5, "Demonstrate Innovation and Cost-Effective Service Delivery".

Report Summary

Since Council provided direction to undertake a service review, staff have been compiling the required information to support informed decisions regarding whether, or to what extent, more detailed work should be undertaken to change service levels. Staff indicated the work would be ready for Council's review by the end of the third quarter. The work remains on schedule.

Financial Implications

There are no direct financial implications associated with this report.

Signed By

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BACKGROUND

On May 14th, 2019, Councillor Sizer introduced a motion calling for a core service review. Council passed an amended motion on May 28th, 2019 directing staff to initiate the required work and, prior to any detailed analysis of potential changes in specific services, report information about all of the municipality's services, their cost and performance relative to the city's benchmarking partners. When it receives this interim report, anticipated by the end of the third quarter, Council will decide whether to proceed with detailed service reviews and, if so, which services to include in such reviews.

The idea that municipal services would be subject to periodic review and change is not new. The City of Greater Sudbury has, for most of the last decade, published various annual comparisons of service performance compared to other municipalities. Further, for each of the last three budgets a series of potential service adjustments were presented by staff, following Council's direction to identify adjustments that would reduce the annual tax levy.

At the same time, the Executive Leadership Team has been directing changes to the way the corporation plans, resources and manages its work to address the continuous need for information about service levels, service costs and performance. Its ultimate goal is to have a series of administrative policies and systems that produce real-time, on-demand information about actual performance compared to Council-approved service levels. Generally, this resembles private sector approaches that use activity-based cost information to support assessments of organization performance.

The corporation faces several challenges to successfully complete this work. First, its history of focusing first on cost control, rather than service outcomes, requires training and development among the leadership team about the relationships between service levels and the corporation's costs. By understanding and managing service levels, managers can achieve better results, still manage cost, and avoid the risk that cost reductions in one part of the corporation have a significant and unintended effect on another part. Efforts to reorient the entire management team to this view have been underway for several years and include:

- Changes to the annual budget process to emphasize service and expected performance, not just cost control
- Individual performance management processes that emphasize the achievement of significant objectives and competencies designed to manage the way work is performed
- Corporate policy guidance designed to introduce standards and consistent workflows that emphasize an enterprise-wide view of results, such as the IT Strategy and Customer Service Strategy, both approved in 2018
- The introduction of a standard, enterprise-wide work planning process, intended to raise awareness about the required, inherent collaboration between responsibility centres throughout the organization and to match expected workloads with available resources
- The formation of new interdivisional work groups, such as the Capital Budget Prioritization Committee, the IT Governance Team, and the Enterprise Performance Planning Working Group, to build capacity and accelerate the adoption of enterprise-wide standards
- Introducing a variety of public performance reporting initiatives to share information about municipal performance with the entire community in digestible, easy-to-understand

formats that not only demonstrate accountability and transparency, but also offer opportunities for fact-based discussions about municipal programs and services

Second, the pace of change buffeting the municipal sector is fast. While undertaking this work, staff are also preparing a 2020 budget that needs to incorporate solutions that address significant reductions in annual provincial funding. As this report is being written, it remains unclear whether more changes will be announced that will exacerbate known funding gaps.

Third, like society as a whole, Greater Sudbury is experiencing a higher turnover level than historical annual averages as long-serving employees retire. Replacing these workers is challenging, as competition for the needed skills is strong and/or the time required to develop the specialized skills associated with some municipal services reduces the corporation's capacity to deliver planned service levels.

ANALYSIS

The Enterprise Performance and Planning (EPP) Working Group has conducted a review of existing models for measuring municipal performance and similar service level exercises undertaken by other municipalities. The Municipal Reference Model (MRM) provides a systematic approach for documenting service information to facilitate some objective comparisons. It has been widely used by municipalities, and not only provides a platform to inventory and describe municipal services, but also provides an opportunity for comparability and benchmarking.

The EPP Working Group will coordinate efforts to develop service profiles for the approximately 60 lines of business the corporation regularly performs. This group is working with operating divisions/units and, based on the MRM, building a robust dataset for each of the services provided by the City that will describe connections between expected service levels, actual performance, resource requirements and other details to support discussions about whether more detailed reviews would be desirable. The service profiles will provide information about all of the municipality's services, their cost, existing service levels and service activity. Appendix A provides the service list that will guide the preparation of service profiles.

It is anticipated that the EPP Working Group will provide the operating divisions with a standard report that will describe their respective services, provide some budget information and will align with the Municipal Reference Model. The completed profiles will provide Council with a fulsome inventory of municipal services and establish the foundation for more extensive and detailed analysis. Service profiles will be shared in draft by the end of June. Operating divisions must provide the required details by the end of August 2019. Appendix B provides an example.

On May 21st, 2019, the Province of Ontario announced that large municipalities and school boards could apply to access a share of $7.35M through a special "Audit and Accountability Fund". The province states its purpose is to "help municipalities become more efficient and modernize service delivery while protecting front line jobs." The funding is available to allow municipalities to "undertake independent third-party reviews".

Many details about this program remain unclear. For example, it is not known whether the third party report must recommend changes that produce "efficiencies", or if it may simply provide information that allows Council to determine such efficiencies or cost reductions. Also, there is no definition for what constitutes "front line jobs" or what type of protection the fund is designed

to provide for them. At this stage of the work, staff would not recommend placing any constraints on its scope and would instead prefer to focus on identifying potential changes that respond to Council's directions.

Nonetheless, staff signalled the City of Greater Sudbury's intent to pursue funding and submit a proposal to the province. If approved, the funding will be used for engaging the services of a third party to assist in:

- Developing service profiles
- Assessing the City of Greater Sudbury's enterprise systems so they can be sufficiently, appropriately integrated and support routine time, attendance and staff activity reporting
- Performing analysis and research to identify services that could be the subject of further, detailed review and assess the potential financial implications

NEXT STEPS

Subject to several influencing factors, work will proceed on completing the service profiles. Proposals will be invited from qualified firms, although the cycle time for completing the necessary due diligence to make an award and still meet the province's requirement for a final report by November 30 may make this step impractical.

As the work is being undertaken over the summer and was unplanned, the risk of vacation schedules extending the deadlines for this work is higher than it would have been if we had planned to do this work as part of the 2019 Budget. Nevertheless, staff will make every effort to ensure sufficient, appropriate coordination occurs so that Council has a solid foundation for decision making about next steps in September.

A caveat associated with all of this work relates to ongoing CUPE negotiations. As this report was being prepared, negotiations remained ongoing. If there is a labour interruption that requires the corporation to initiate some or all of its BATNA plans, this work will likely be postponed until working conditions return to normal.

Appendix A - Lines of Business

Service	
Internal Audits	Engineering Design
Value-For-Money and Performance Audits	Engineering Project Delivery
Communications and Engagement	Construction Services
311	Capital Planning
Investment and Business Development	Transportation and Innovation
Tourism and Culture	Roads Maintenance
Clerk's Services	Distribution and Collection
Regulated Services	Solid Waste Management
Legal Services	Water/Wastewater
Council Support	Community and strategic planning
Security Services	Development Approvals
By-law Services	Environmental Planning
Animal Control and Shelter Services	Building Permits and Approvals
Municipal Parking Services	Plans Examination
IT Infrastructure and Help Desk	Building Inspections
IT Project Management and Delivery	Housing Operations
IT Business Systems	Housing Services
Human Resources and Labour Relations	Long Term Care
Compensation and Benefits	Ontario Works Program Delivery
Organizational Development, Safety, Wellness and Rehabilitation	Emergency Shelters and Homelessness
Taxation	Children Services
Accounting	Citizen Services
Payroll	Libraries
Financial Planning and Budgeting	Museums
Financial Support Services	Cemetery Services
Asset Management	Arenas
Facilities Management	Parks
Fleet Services	Recreation programming
Energy Initiatives	Community Grants
Fire Services Emergency Response	Transit
Public Safety, Planning and Prevention	Handi Transit
Fire Services Training	
Fire Safety Education and Prevention	
Paramedic opertions	
Paramedic Services training	
Logistics	
Professional Standards	

Appendix B - Service Level Profile Template

Organizational Unit	
Enterprise Program	
Service	
Service Type	
Service Category	

Service Overview
Brief description of the service (s)

Service Value
Statement reflecting the value added for the service (i.e. RBA style comment)

Service Category Overview
Brief description of "basis for delivery" (ie why is service deemed mandatory)

Budget	
Operating Costs	
Revenue	
Net Levy	$ -

Staffing	
Full Time	
Part Time (Hrs)	

Performance Measures
i.e. MBN Can Measures

Service Level
What is the prescribed service level?

Activity Level
How much do you actually do?

Notes / Assumptions: