



AC2021-0333 Solutions for Achieving Value and Excellence (SAVE) Program Progress Update (Verbal)

Audit Committee
2021 March 18

Previous Council Direction

Creation of the SAVE program was grounded in Council's desire to reduce costs and increase efficiency within City services, especially in light of the economic downturn.

Notice of Motion C2019-1011

Delivering Modern and Affordable Municipal Services in an Environment of Economic Constraint

On 2019 July 29, Council unanimously directed Administration to release a Request for Qualifications to seek proposals from external experts about services available to assist Council and Administration with:

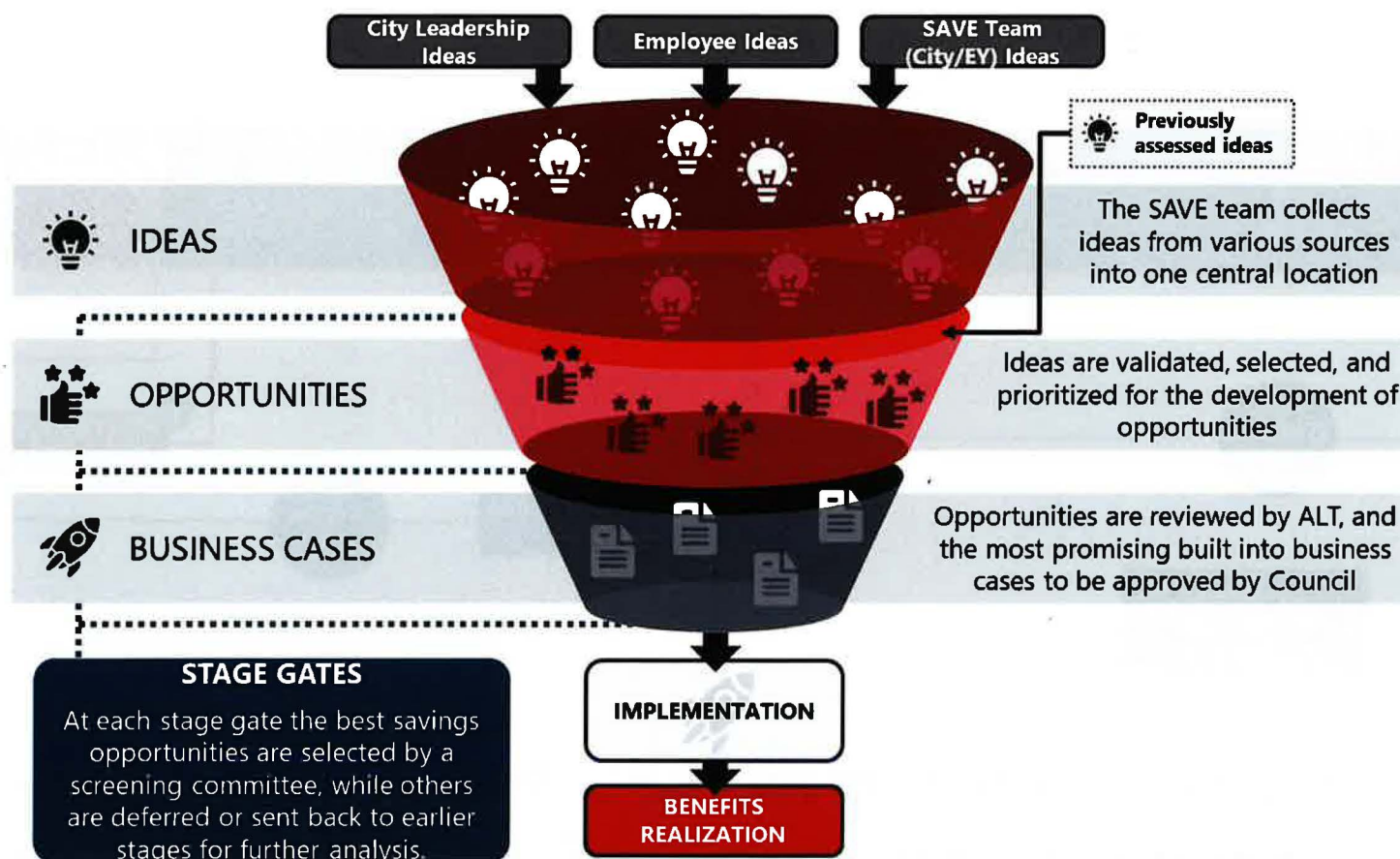
- a. Delivering on Citizen Priorities and Council Directives within an environment of economic constraint;
- b. Mechanisms for reducing the cost of delivering municipal services while taking into account Administrative initiatives and projects already underway and intended to contribute to this objective;
- c. Capitalizing on revenue generating opportunities available to The City; and
- d. Developing solid business cases for short and longer-term efficiencies across the Corporation that advance the achievement of Citizen Priorities and Council Directives within an environment of economic constraint.

The 2021 SAVE Program target was achieved following rigorous engagement, analysis and ongoing business unit support. The following outlines key elements of the program leading up to the current wave of business cases.

SAVE Context

- The Solutions for Achieving Value and Excellence (SAVE) program **provides a strategic approach to meeting the fiscal challenges** faced by The City while **minimizing the need for future, across-the-board reductions**. Working collaboratively to manage costs also aligns with the *Rethink to Thrive* strategy.
- Between 2020 April and November, EY and City staff worked together to achieve the goal of **\$24M in ongoing savings** from The City's tax-supported operating budget in 2021.
- Since 2020 November, the team has continued to identify opportunities and develop business cases to achieve an additional **\$56M (total of targeted \$80M) to be achieved in 2022**.

The SAVE Program's Funnel Approach

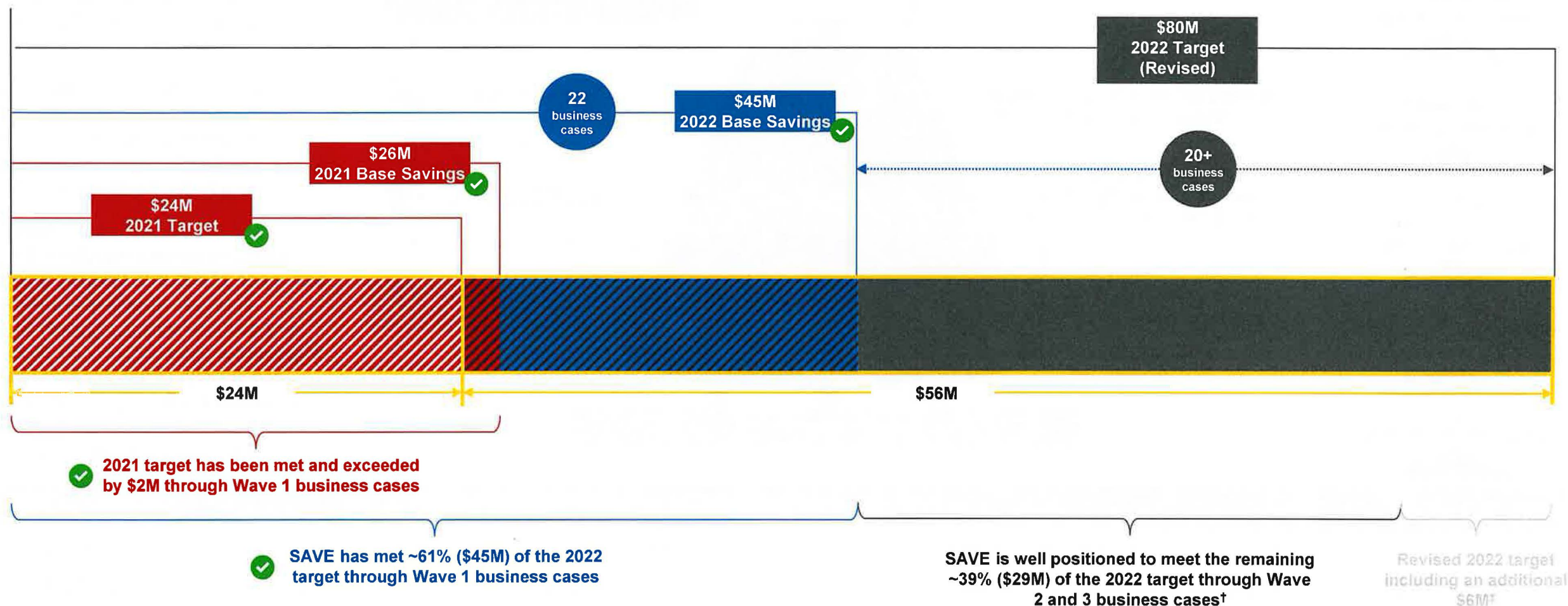


Program Timeline



SAVE Financial Targets and Identified Savings

The SAVE Program met and exceeded the 2021 financial target*, and is well positioned to meet the 2022 target* through Wave 2 and Wave 3 business cases.



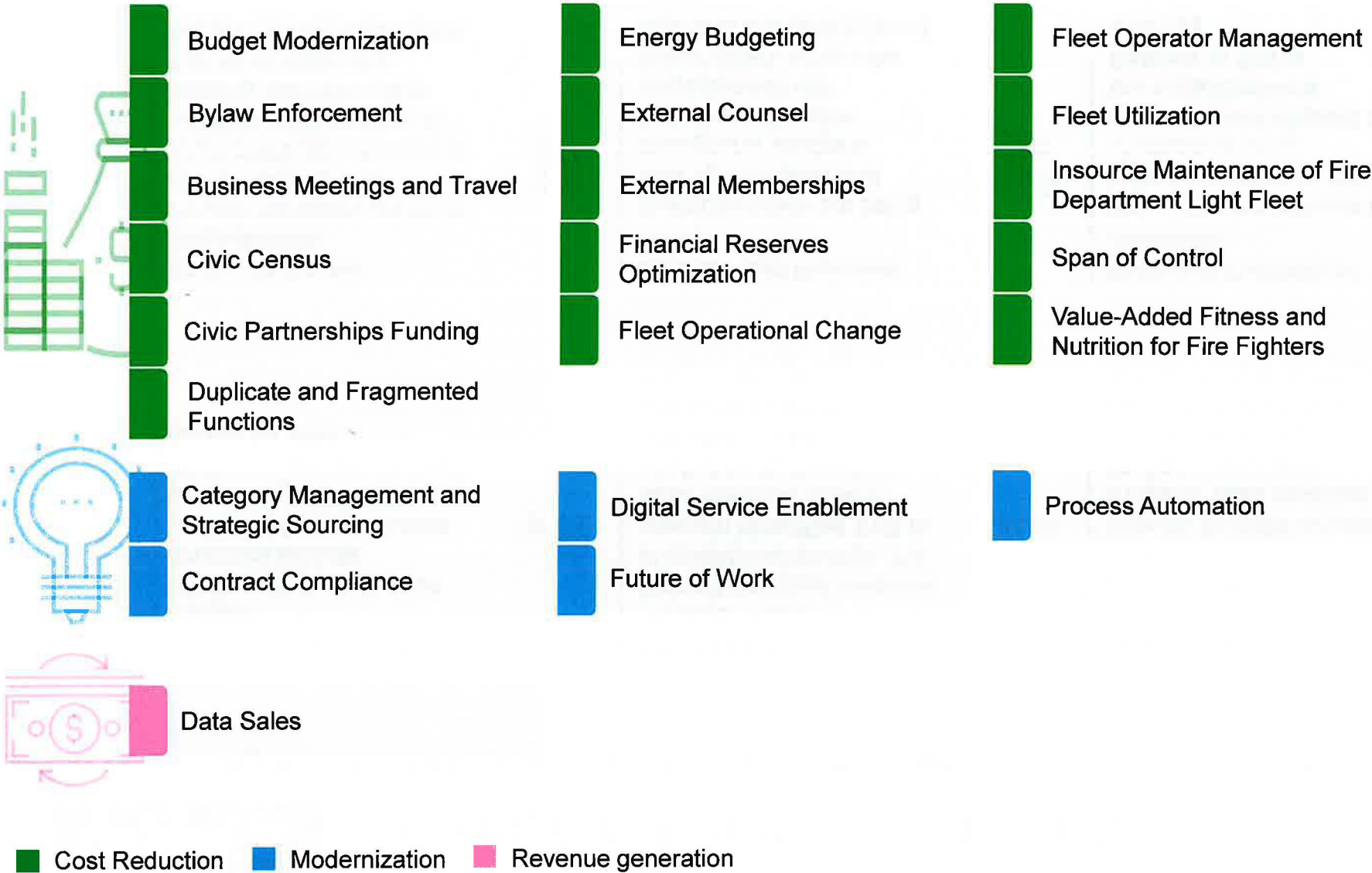
*Financial targets measured by tax-supported base operating budget reductions.

†In addition to the Wave 2 business cases, SAVE is also evaluating other ideas and opportunities as avenues of savings for the second target of \$56M.

‡The additional \$6M was approved by Council in 2020 November as part of the Mid-Cycle Adjustments.

Wave 1 Business Cases

SAVE completed 22 business cases in Wave 1, each with a clear path for implementation.



Wave 1 Completion

Business units across The City played an integral role in building Wave 1 business cases including analysis support, operations insight, and providing data.

Detailed review across program leadership, business case sponsors, and the ELT further validated business case findings and contributed significantly to the outputs of Wave 1.

22 Business Cases in Wave 1

\$26M Savings for 2021

Program Accomplishments

A few of the program’s notable successes are outlined below, demonstrating the impact the SAVE Program team continues to have.



Achievement of Program Targets

SAVE **successfully met program targets**, delivering business cases with savings of \$26M for 2021, and on track to meet targets for 2022



Additional Financial Impacts in 2021

Beyond the target measure of operational savings, the program **identified \$1M in base revenue, \$2M in capital budget savings, and \$4M in self-supported** operating budget savings in 2021.



Financial Impacts in 2022

Wave 1 business cases identified significant impacts for 2022 including **\$1.9M in base revenue, \$6.5 M in one-time savings and reserve funding, and \$25M in capital budget savings.**



Non-financial Impacts

The program identified opportunities that prioritized **environmental benefits, greater digital accessibility**, and the **modernization of services** across The City.



Cross Corporate Engagement

Project managers continue to work closely with appropriate stakeholders to solicit support and buy-in, building business cases that have leadership support for implementation.



Detailed and Rigorous Analysis

Business cases are being built upon **robust and thoughtful analysis**, including **extensive engagement** with stakeholders across the business and jurisdictional research.



Balanced Portfolio of Initiatives

The program continues to build a balanced portfolio of initiatives while remaining well **aligned to the organization’s Rethink to Strive strategy.**



Public Engagement

SAVE is well integrated with the Research and Engage teams to **produce meaningful and valuable citizen engagement** in developing business cases where there may be an impact to citizens.

The SAVE team has continued to identify opportunities and build business cases to enable real and sustainable change.



Since November, SAVE has been working across the City in the development of **Wave 2** business cases, meant to further **contribute to achieving the \$80M target for 2022**.

The team has also continued to identify and investigate **another series of opportunities** through **continued collaboration** with business units, service owners and the ELT that will become a **3rd wave of business cases**.



We will actively engage Council and **socialize expectations** on proposed opportunities for these subsequent waves. As the program evolves into Wave 2 and **avenues for savings narrow**, Council should be prepared to make decisions that are **increasingly difficult** with implications on **citizen-facing** services.

The ELT and the SAVE team understand what it takes to overcome these challenges and are **confident that we are on track to meet the 2022 target**.



Identifying savings and planning for transformation is the first step in accomplishing organizational change. The greater challenge lies in **implementing transformation**, which emphasizes the need to consider the crucial elements of a **structured implementation plan** that is built to realize projected savings.



An **Implementation Coordination Office** has been established to track and monitor implementation of approved business cases (at this point, those from Wave 1) to ensure **benefits are appropriately realized and savings extracted**.

Recommendation

Administration recommends that the Audit Committee receive this presentation for information and discussion.