



**Calgary**

City Auditor's Office

# **Calgary Recreation Infrastructure Investment Audit**

**May 27, 2022**

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The City Auditor's Office conducted this audit in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

## Executive Summary

Calgary Recreation, in collaboration with partners, provides recreation programs, services and access to multiple and various recreation facilities across The City. A recreation “facility and service” gap has arisen due to Calgary’s population growth, increasing participation in sports, non-functional and aging facilities, the need for competition-capable sport and recreation facilities and community gathering spaces, geographic growth, changing demographics and evolving recreation needs.<sup>1</sup> This demand for programs, services and access to facilities drives infrastructure investment opportunities in new and existing recreation facilities.

The objective of this audit was to assess the effectiveness of processes implemented by Calgary Recreation to support equitable infrastructure investments. This was achieved by a review of Calgary Recreation processes that supported Calgary Recreation’s identification of the six infrastructure investments presented for approval to Council in June 2021 (the 2021 Revised Capital Investment Strategy). We used the Project Management Institute’s Standard for Portfolio Management as criteria for good practice, specifically the portfolio strategic management and governance standards.

Overall, we determined Calgary Recreation’s processes to support equitable infrastructure investments were not fully effective. Calgary Recreation has established an informal objective of improving equitable access to recreation opportunities and ensuring individual and community benefits to citizens and communities from participation in recreation activities. Calgary Recreation has included equity as an underlying principle supporting its identification of infrastructure investment opportunities. However, to meet the three-week report deadline directed by Council, Calgary Recreation followed an ad hoc portfolio decision-making process to arrive at the six infrastructure investments presented for approval to Council in June 2021. While equity of geographical access was included as an informal input in identifying infrastructure opportunities, the ad hoc process and lack of consistency supporting the prioritization process that led to the six investment opportunities to be presented to Council, creates a risk that the investments presented for approval may not maximize The City’s progress towards increased equity of service provision.

In 2022, The City of Calgary is transitioning into a realigned organizational structure. In this realigned structure, capital infrastructure investment opportunities will transition to the oversight of the Capital Priorities and Investments Business Unit within the Infrastructure Services Department. This transition provides an opportunity to develop and implement defined and consistent processes that support investment decisions aligned to City goals and objectives. As a part of the defined processes there is an opportunity to incorporate data available to The City into portfolio investment decisions and on-going monitoring of portfolio success.

We recommended that Capital Priorities and Investments:

- Design and implement a process and supporting guidance to address ad hoc opportunities for infrastructure investments;
- Define and implement quantifiable equity criteria into the infrastructure investment and City portfolio management processes; and

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<sup>1</sup> Community Services Report to Combined Meeting of Council June 21, 2021 (Item #11.3.1, Report C2021-0911, pg.2).

- Design and communicate formalized roles, responsibilities and associated high level expected processes to support the identification of potential infrastructure investment opportunities and the monitoring of value delivered by the portfolio.

Capital Priorities and Investments has agreed to all recommendations and has committed to set action plan implementation dates no later than December 31, 2023. The City Auditor's Office will follow up on all commitments as part of our ongoing recommendation follow-up process.

## 1.0 Background

Calgary Recreation, in collaboration with partners, provides recreation programs, services and access to 34 arenas, 24 aquatic and fitness centres, 13 athletic parks, eight outdoor pools, seven golf courses, one sailing school, one soccer centre, and one velodrome.

A recreation “facility and service” gap has arisen due to Calgary’s population growth, increasing participation in sports, non-functional and aging facilities, the need for competition-capable sport and recreation facilities and community gathering spaces, geographic growth, changing demographics and evolving recreation needs.<sup>2</sup> This demand for programs, services and access to facilities drives infrastructure investment opportunities in new and existing recreation facilities. There are increasing expectations from a variety of stakeholders (Calgarians, community and sport partners) to consider equity in recreation infrastructure investment decision-making.<sup>3</sup>

Calgary Recreation uses several tools and research to inform and support recreation planning and investment decisions. These tools and research include a health and social equity lens with the objective of leading to more equitable outcomes for Calgarians. It examines areas of geographical inequity in The City. Calgary Recreation has established an objective of improving equitable access to recreation opportunities and ensuring individual and community benefits to citizens and communities from participation in recreation activities.<sup>4</sup>

On May 31, 2021, Council directed Administration to revise the recreation capital investment strategy to address immediate community need by building and renewing facilities filling known gaps in amenities city-wide<sup>5</sup>. Calgary Recreation returned to Council on June 21, 2021, with a new capital investment strategy, the Revised Calgary Recreation Capital Investment Strategy, stating as part of its strategy “to accommodate the demand for facilities to address equitable distribution of in-demand amenities throughout Calgary”<sup>6</sup>.

In June 2021, as part of their commitment to equity, Council approved an increase of \$154 million for six recreation investments<sup>7</sup> to address service gaps, aging facilities, and underserved areas (Table 1):

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<sup>2</sup> Community Services Report to Combined Meeting of Council June 21, 2021 (Item #11.3.1, Report C2021-0911, pg.2).

<sup>3</sup> Community Services Report to Administration Leadership Team (ALT) April 6, 2021 (ELT2021-0374).

<sup>4</sup> One Calgary 2019-2022 Service Plans and Budgets (A Healthy & Green City, Recreation Opportunities, pg.347).

<sup>5</sup> Combined Meeting of Council Confirmed Minutes May 21, 2021 (Motion carried with respect to Report CPS2021-0748).

<sup>6</sup> Community Services Report to Combined Meeting of Council June 21, 2021 (Report C2021-0911, Item #11.3.1).

<sup>7</sup> Combined Meeting of Council Confirmed Minutes June 21, 2021 (Motion carried with respect to Report C2021-0911, pg.21)

Table 1 – Planned Budget Allocation for Proposed Investments

<b>Project</b>	<b>\$ Allocation</b>
Northeast Regional Fieldhouse at Skyview Ranch	\$32 Million
Northeast Athletic Park at Saddle Ridge	\$25 Million
Northwest Athletic Park at Rocky Ridge	\$14 Million
Southeast Air Inflated Structure (Dome) at the Soccer Centre	\$6 Million
Southwest Regional Fieldhouse at Belmont	\$32 Million
Southwest Twin Arena Redevelopment at Glenmore Athletic Park	\$45 Million

*Source: Community Services Report to Combined Meeting of Council June 21, 2021 (C2021-0911 Attachment 1)*

Given the importance of equity to Council, Administration, and Calgarians, and the significant dollar values invested in recreation facilities, this audit was included as part of the City Auditor’s 2021 Annual Audit Plan.



## 2.0 Audit Objective, Scope and Approach

### 2.1 Audit Objective

The objective of this audit was to assess the effectiveness of processes implemented by Calgary Recreation to support equitable infrastructure investments.

### 2.2 Audit Scope

The audit assessed the design and operation of the plans and processes that supported Calgary Recreation's identification of the six infrastructure investments presented for approval to Council in June 2021.

### 2.3 Audit Approach

Our audit approach included:

- Documenting the portfolio decision-making processes that led to the identification of the six infrastructure investments presented for approval to Council in June 2021 and assessing whether the design and operation of the portfolio decision-making processes supported the objective of equitable infrastructure investments, and
- Reviewing Calgary Recreation's strategic management of the investment portfolio that supports the portfolio decision making process, including investment strategy/plan, portfolio criteria/success factors/monitoring, and roles and responsibilities.

The effectiveness of Calgary Recreation's processes in supporting equitable infrastructure investments was evaluated against portfolio strategic management and portfolio governance criteria outlined by the PMI Standard for Portfolio Management (summary information provided in Appendix A).

## 3.0 Results

To support the established objective of improving equitable access to recreation opportunities and ensuring individual and community benefits to citizens and communities, Calgary Recreation has included equity as an underlying principle supporting its identification of infrastructure investment opportunities.

Calgary Recreation followed an ad hoc portfolio decision making process to arrive at the six infrastructure investments presented for approval to Council in June 2021. While equity of geographical access was included as an informal input in identifying infrastructure opportunities, the ad hoc process and lack of consistent documentation and analysis supporting the selection process that led to the six investment opportunities to be presented to Council, creates a risk that the resulting infrastructure investments are not best aligned to supporting The City's strategic and operational goals.

The City is transitioning into a realigned organizational structure during 2022. Capital infrastructure investment opportunities will transition to the oversight of the Capital Priorities and Investments Business Unit within the Infrastructure Services Department. This transition provides an opportunity for The City to expand the formal investment prioritization process to include investment opportunities that arise off-cycle of the four-year budget, define and implement quantifiable equity criteria into the infrastructure investment and City portfolio management processes; and design and communicate formalized roles, responsibilities and associated high level processes to enhance the strategic management of the portfolio.

### 3.1 Investment Prioritization Process

We reviewed the portfolio decision-making processes that led to the identification of the six infrastructure investments presented for approval to Council in June 2021 and determined that the design and operation of the portfolio decision-making processes were not fully effective in supporting equitable infrastructure investments. We reviewed both the portfolio decision-making process and the incorporation of equity as a criterion.

#### 3.1.1 Portfolio Decision-Making Process

In May 2021, Council directed Administration to prepare a revised recreation capital investment strategy to address an immediate community need of recreational amenities. The Revised Calgary Recreation Capital Investment Strategy states: "Administration uses evidence-based prioritization as part of ongoing work to understand service needs and identify priority investments. To meet Council's direction, priority unfunded projects were evaluated against eligibility criteria for Community Investment Reserve and Offsite Levies funding. Report C2021-0911 proposes six priority unfunded projects to address known service gaps in Calgary's new and established communities. The proposed investment targets critical service deficiencies within available funding and begins to address the existing service investment gap.

Calgary Recreation provided a flowchart for the formal investment prioritization process that supports The City's four-year budget cycle (Appendix B - Illustration 1) and a flowchart for the ad hoc process followed to respond to the Council direction to revise the recreation capital investment strategy (Appendix B - Illustration 2) as it was outside of the four-year budget cycle. According to the two flowcharts provided, the key difference is that in the ad

hoc process, the investment decision for the 2021 Revised Capital Investment Strategy was not provided to Community Services Infrastructure Investment Plan (CSIIP) Committee, Infrastructure Calgary and the Executive Leadership Team (ELT) for prioritization as would occur as part of the four-year budget cycle, but instead went to the Mayor's Office. The evaluation and prioritization using established criteria by the CSIIP Committee, Infrastructure Calgary and ELT are included in the regular investment process to ensure the allocation of available investments in support of The City's strategic priorities and operational needs.

As part of the ad hoc process followed to respond to the Council direction to revise the recreation capital investment strategy, Calgary Recreation provided five infrastructure investment scenario options (e.g., Scenario 1: Focus on addressing identified service gaps in recreation), incorporating 12 potential projects/investments to the Mayor's Office. The investment opportunities were noted in the memo as a project title with no background as to what immediate community need (gaps) would be addressed or its priority ranking. We identified gaps in documentation such as business cases supporting the inclusion of projects on a priority basis within the scenarios (Section 4.1). Calgary Recreation explained that the Mayor's Office selected six projects from across the scenarios which were then presented to Council as the 2021 Revised Capital Investment Strategy for approval.

Ad hoc investment prioritization processes increase the risk that resulting infrastructure investments made are not aligned to and supporting The City's strategic and operational goals. Establishing a prioritization process supporting ad hoc (outside The City's four-year budget cycle) opportunities for infrastructure investment strengthens The City's ability to maximise value from infrastructure investments (Recommendation 1).

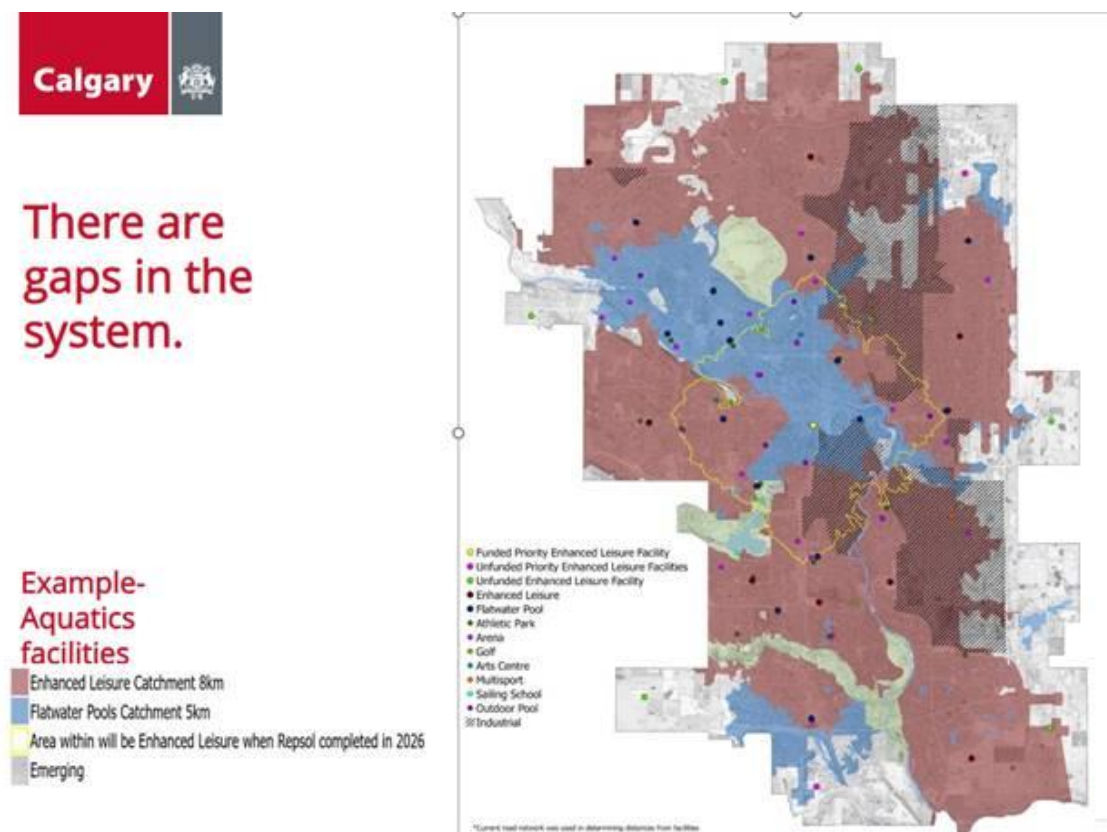
### **3.1.2 Equity Criteria**

At the time of the audit, the term "Equity" had not been fully defined or implemented as a criterion to support Calgary Recreation infrastructure investment prioritization. Although equity was an underlying principle supporting the identification of projects, the ad hoc prioritization process does not have supporting documentation that shows the incorporation of equity as criterion. In the absence of equity as a capital investment criterion there is risk that investments selected may not maximize The City's progress towards equity of service provision.

The term "Equity" was defined corporately in Section 3.1.7 of the Social Well-Being Policy CP2019-01 approved by Council in July 2019. This wider definition of equity is not incorporated formally into the investment portfolio management. Calgary Recreation's Strategic Foundation (values, vision, purpose, and mandate) does not specifically reference equity, although it is an underlying principle considered by Calgary Recreation in service provision.

Calgary Recreation indicated that their objective through capital investments has been to ensure that Calgarians have access to recreation facilities within a reasonable distance (i.e., catchment area), but also remove barriers to access and navigate through facilities (e.g., universal change rooms, accessibility for people with reduced mobility, sledge hockey etc.). In addition, investments in service cycle upgrades are meant to bring service level to a modern facility standard ("commensurate level of service").

Calgary Recreation explained that geographical equity is incorporated in the Research & Strategic Planning step (identification of potential infrastructure investments) through studies to determine service gaps. For example, Calgary Recreation utilizes service provision catchment maps that are based on service provision guidelines to identify gaps in equitable geographical service provision. The following catchment map illustrates how a recently funded investment will address the gap in enhanced leisure amenities in The City. However, the catchment maps do not have related targets.



Equity is included in the social impact score in the project assessment criteria section of each potential investment’s business case that Calgary Recreation prepares, allowing three points out of a total of 47. In the prioritization process that aligns the City’s four-year budget cycle, business case scoring is finalized through the CSIIP Committee. The project and its final scoring are then included in a Community Services master list of capital projects. In evaluating Social Impact, overall social value, inclusion, culture, physical activity and strengthening of neighborhoods is taken into consideration. However, it is not clear how equity is included in the social impact score and no additional information or rationale are noted in the business case when scoring social impact.

Calgary Recreation explained that the intent of the five scenarios presented to the Mayor’s Office was to identify investment opportunities that would address:

- The city-wide service gaps in the provision of affordable and accessible recreation opportunities;
- Aging recreation infrastructure and associated service inefficiencies; and

- Equitable distribution of in-demand amenities throughout Calgary.

The guiding principles Calgary Recreation used in identifying investment opportunities in the scenarios presented to the Mayor's Office were a combination of:

- Addressing known acute service gaps as identified in various plans and studies;
- Eligibility of the projects to the proposed funding source;
- Ability to leverage additional funding from external sources (e.g., partners);
- Equitable distribution (investments spread throughout the City as to not concentrate all investment into a single ward or quadrant);
- Shovel-readiness (how quickly these projects could be implemented); and
- Expressed sustained demands from user groups and Councillors.

However, equity (including a supporting definition) was not used as a quantifiable criterion supporting the prioritization and selection of the investment opportunities included in the Strategy (Recommendation 3).

### **3.2 Strategic Management of the Investment Portfolio**

We reviewed Calgary Recreation's strategic management of the investment portfolio that supports the portfolio decision making process, including roles and responsibilities, investment strategy/plan, and portfolio criteria, success factors and monitoring.

#### Roles and Responsibilities

Calgary Recreation has established roles and responsibilities in relation to the project planning process (Stage Gate 1 onwards, Appendix B) but do not have formally documented roles and responsibilities and associated processes related to the early stages of portfolio management such as project identification and prioritization.

#### Investment Strategy/Plan

Calgary Recreation advised that their updates to the 2016 Facility Development and Enhancement Study (FDES) will be completed in later 2022 and will include updates to several equity metrics to support both the identification of potential infrastructure investment opportunities and monitoring of value delivered. The FDES is one of Calgary Recreation's studies used to assess the current state of City-operated recreation facilities, identify gaps in service and provide direction on investment for long-term inventory optimization. Calgary Recreation indicated that FDES' metrics relating to equity will include:

- Tracking in which communities investments are made, prioritizing areas with existing and future service gaps, and incorporating findings from Calgary's Equity Index
- Utilization and visitation trends of underrepresented, and equity deserving groups
- Number of residents within 1 km of recreation facility
- Percentage of recreation facilities that are accessible by a high order transit stop or active transportation network

FDES metrics will be continually monitored as data and information becomes available with annual progress reports and plan updates every five years.

Calgary Recreation prepares business cases for selected capital investments which are then included in the Capital Investment Opportunity System. Calgary Recreation noted that business cases in the Capital Investment Opportunity System are not a complete list (portfolio) of all potential investment opportunities. There is no documented guidance on how capital funding is

expected to be allocated (example: to the highest priority investments that are eligible for the specific funding stream). Calgary Recreation indicated that prioritization for capital funding may be allocated to the projects included in the Capital Investment Opportunity System, but on occasion may also be allocated to projects not included within the Capital Investment Opportunity System. Once the four-year budget plan, including associated investment opportunities has been approved, the ranking of projects/investment opportunities within the portfolio is not revised until preparation for the next business cycle commences. Projects are not immediately re-prioritized within the portfolio when project requests are received in the middle of the budget cycle.

#### Portfolio Criteria, Success Factors and Monitoring

Calgary Recreation reports on several indicators related to equity as part of The City's Service Plan and Budget reporting:

- Percentage of Calgarians that have equitable access to suitable, publicly funded aquatics and fitness amenities;
- Number of participant visits to Calgary Recreation amenities (excluding Arts Centres);
- Number of Calgarians that access Calgary Recreation's Fee Assistance Program;
- Percentage of City-operated facilities in poor/critical condition;
- Operating cost per visit to City-operated recreation amenity; and
- Utilization rate for Directly Provided Registered Programs.

However, there are no related targets. Indicator data does not directly correlate and contribute to the identification and prioritization of investment infrastructure investments or used to monitor the contributions of new investments to achievement of success. Indicator data may also not fully reflect the equity experience of Calgarians in accessing facilities: for example, the monitoring of amenities operated by partners is tied to the terms and timelines of the specific agreements between The City and the operating partner.

There is an opportunity for the Capital Priorities and Investments Business Unit to define and communicate roles, responsibilities, and associated processes to support a full cycle of portfolio management, in particular the identification of potential infrastructure investment opportunities and the monitoring of value delivered by the portfolio (Recommendation 2).

We would like to thank staff from Calgary Recreation for their assistance and support throughout this audit.

## 4.0 Observations and Recommendations

### 4.1 Prioritization Process Outside The City’s Budget Cycle

The City does not have a formal documented process to assess and prioritize infrastructure investments outside of the four-year budget cycle. Ad hoc investment prioritization processes increase the risk that resulting infrastructure investments made are not aligned to and supporting The City’s strategic and operational goals.

The City has established a formal investment prioritization process in alignment with its four-year budget cycle. As part of the last four-year budget cycle, Calgary Recreation business cases were evaluated and prioritized by the CSIIP Committee, Infrastructure Calgary and ELT (Appendix B, Illustration 1) based on established assessment criteria, and then presented to Council for approval. This process is designed to allocate available investments in support of The City’s strategic priorities and operational needs.

Calgary Recreation followed an ad hoc process to respond to the Council direction to revise the recreation capital investment strategy as it was outside of the four-year budget cycle. Calgary Recreation provided five infrastructure investment scenario options (incorporating 12 potential projects/investments) to the Mayor’s Office for review. Six infrastructure investments were selected from the options provided and were presented as the 2021 Revised Capital Investment Strategy to Council for approval. The investment selection criteria for this ad hoc process were not clearly defined, measured, or ranked. Business cases and their ranking were not prepared for three of the six investments. The process and rationale for the investment scenario options and subsequent investment selection and prioritization were not documented.

In any organization, portfolio components (potential infrastructure investments) compete for available resources i.e., no organization is going to be able to invest in all possible projects/programs. The Project Management Institute’s The Standard for Portfolio Management explains how a prioritization process supports achievement of organizational goals and delivery portfolio value. Establishing a prioritization process underpinning ad hoc (outside The City’s four-year budget cycle) opportunities for infrastructure investment will support The City’s ability to maximise value from infrastructure investments.

#### **Recommendation 1**

Director, Capital Priorities and Investments, design and implement a process and supporting guidance to address ad hoc opportunities for infrastructure investments that arise outside The City’s four-year budget cycle.

#### Management Response

Agreed.

Action Plan	Responsibility
The Capital Priorities and Investments Business Unit will expand The City’s formal investment prioritization process to include projects that arise off-cycle of the 4-year One Calgary Service Plan and Budget process.	<u>Lead</u> Director, Capital Priorities and Investments  <u>Support</u> Corporate Budget Office

Action Plan	Responsibility
<p>The enhancements will include clear governance of priority setting, documented process, and guidance for the submission of capital requests off-cycle, and the establishment of criteria for investment selections regardless of when a project is identified or submitted.</p> <p>New processes will be communicated and socialized with Business Units that have infrastructure investment needs.</p> <p>This guidance will align with established City financial process and policies and opportunities to seek approval for off cycle investments from Council.</p>	<p><u>Commitment Date</u> September 30, 2023</p>

#### 4.2 Portfolio Lifecycle Role, Responsibilities and Processes

Formalized roles, responsibilities and associated processes are not yet established to support the full cycle of portfolio management. As The City transitions to the realigned organization structure, and roles and responsibilities transition between operationally focused and capital investment focused business units/service lines, clarifying and formalizing the roles, responsibilities and processes associated with portfolio planning, execution, and on-going monitoring will support The City in maximizing value from its infrastructure investments.

While The City has an established process as part of the four-year budget cycle to review and prioritize infrastructure investment opportunities, we identified that the processes to identify potential recreation portfolio components (projects/programs) and to monitor whether investments are achieving the goals of the portfolio/strategy are less defined, structured, and consistent.

Calgary Recreation's process from inception of an investment opportunity through to vetting the potential project to creating a business case are not formally documented. Calgary Recreation investment opportunities have several sources of inception, including partner and Councillor requests. Calgary Recreation noted that business cases in the Capital Investment Opportunity System are not a complete list of all potential investment opportunities.

Roles, responsibilities, and associated processes for monitoring the recreation investment portfolio (for example whether investments in infrastructure are supporting the achievement of City/service objectives) are not fully defined. Calgary Recreation collects and monitors indicators related to equity as part of The City's Service Plans and Budget reporting, for example:

- Percentage of Calgarians that have equitable access to suitable, publicly funded aquatics and fitness amenities.
- Number of participant visits to Calgary Recreation amenities (excluding Arts Centres).

However, this information does not formally link to an assessment of existing infrastructure investments nor the prioritization of potential investment opportunities.



Revision to Calgary Recreation’s FDES will be completed in later 2022 and will include updates to several equity metrics to support both the identification of potential infrastructure investment opportunities and monitoring of value delivered.

As part of The City’s organizational realignment, responsibility for leading the capital prioritization, strategic delivery of infrastructure investments, and asset management planning for The City will transition during 2022 from Business Units focused on operational service delivery such as Calgary Recreation to Business Units within the Infrastructure Services Department. Calgary Recreation services focused on the operation of infrastructure will transition to the Recreation and Social Programs Business Unit. As part of this realignment, defining roles and responsibilities and associated processes for the full lifecycle of the Calgary Recreation portfolio (from inception of potential investment opportunities to monitoring whether infrastructure investments are effectively contributing to the achievement of City and service goals) mitigates the risk that investments in infrastructure do not maximise value to The City.

**Recommendation 2**

Director, Capital Priorities and Investments design and communicate formalized roles, responsibilities and associated high level expected processes to support the identification of potential infrastructure investment opportunities and the monitoring of value delivered by the portfolio.

Management Response

Agreed.

Action Plan	Responsibility
<p>The Capital Priorities and Investments Business Unit will, in parallel with the Action Plan under Recommendation 1, document, communicate and socialize the formal roles and responsibilities of stakeholders (including partners) in the management of assets.</p> <p>The Asset Lifecycle Governance will form the basis for the design of these formal roles and responsibilities, and associated processes to support the identification of potential investment opportunities and the monitoring of value delivered. The results of the Best Value for Assets project will also be used to inform this work.</p>	<p><u>Lead</u> Director, Capital Priorities and Investments</p> <p><u>Support</u> Other Infrastructure Services Business Units, Service Governance Committees, Corporate Budget Office</p> <p><u>Commitment Date</u> December 31, 2023</p>

**4.3 Equity Criteria**

Equity has not been fully defined or implemented as a criterion or series of criteria to support Calgary Recreation infrastructure investments.

The term “Equity” was defined corporately in Section 3.1.7 of the Social Well-Being Policy CP2019-01 approved by Council in July 2019: “Equitable” or “Equity” means conditions are adjusted to meet people’s diverse needs, strengths and social realities. It requires recognition that different barriers

(often systemic) exist for diverse individuals or groups. The result of Equity is all people have the opportunity to benefit equally from City Services.

As part of the regular four-year budget cycle, Calgary Recreation develops business cases for large-scale capital projects that have been identified as potential investments, including an evaluation of eight criteria used to prioritize projects. Equity has been considered as part of the Social Impact criteria, allowing for a score up to three (for significant impact) out of a total score of 47 for all eight criteria. However, it is unclear what definition of equity (geographical access and/or other aspects of equity included in the 2019 definition) has been included in this analysis or the extent to which equity contributes to the Social Impact criteria score.

The May 31, 2021, Council direction to revise the Recreation Capital Investment Strategy focused on the opportunity to build and renew facilities to fill known gaps in amenities city-wide i.e., equity of geographical access. The Revised Calgary Recreation Capital Investment Strategy included the statement that the strategy intended “to accommodate the demand for facilities to address equitable distribution of in-demand amenities throughout Calgary”. Geographical equity was used as an informal input into the development of scenarios and potential investment opportunities presented to the Mayor’s Office. However, equity (including a supporting definition) was not used as a quantifiable criterion supporting the prioritization and selection of the investment opportunities included in the Strategy. Other aspects of the equity definition (diverse needs, strengths, social realities, and all have the opportunity to benefit equally) were not included as quantifiable criteria.

Calgary Recreation measures equitable geographical access to recreation facilities annually. However, other aspects of equity are not measured, and associated equity thresholds and targets have not been established.

Defining and measuring the incorporation of equity into infrastructure investment and portfolio management processes supports The City by providing a way to measure the progress made in support of this City focus area.

**Recommendation 3**

Director, Capital Priorities and Investments define and implement quantifiable equity criteria into the infrastructure investment and City portfolio management processes for infrastructure supporting services where Council have indicated that equity is a key priority.

Management Response

Agreed.

Action Plan	Responsibility
<p>The Capital Priorities and Investments Business Unit will define quantifiable equity criteria in partnership with internal stakeholders.</p> <p>These criteria will be incorporated in (a) the business case process for potential infrastructure investments,</p>	<p><u>Lead</u> Director, Capital Priorities and Investments</p> <p><u>Support</u> Recreation &amp; Social Programs, Community Strategies</p>

Action Plan	Responsibility
<p>(b) the investment prioritization and selection process, and (c) the benefit realization assessment processes used by Services (including Recreation &amp; Social Programs).</p> <p>Guidance will be provided for the consistent application of criteria.</p>	<p><u>Commitment Date</u> June 30, 2023</p>

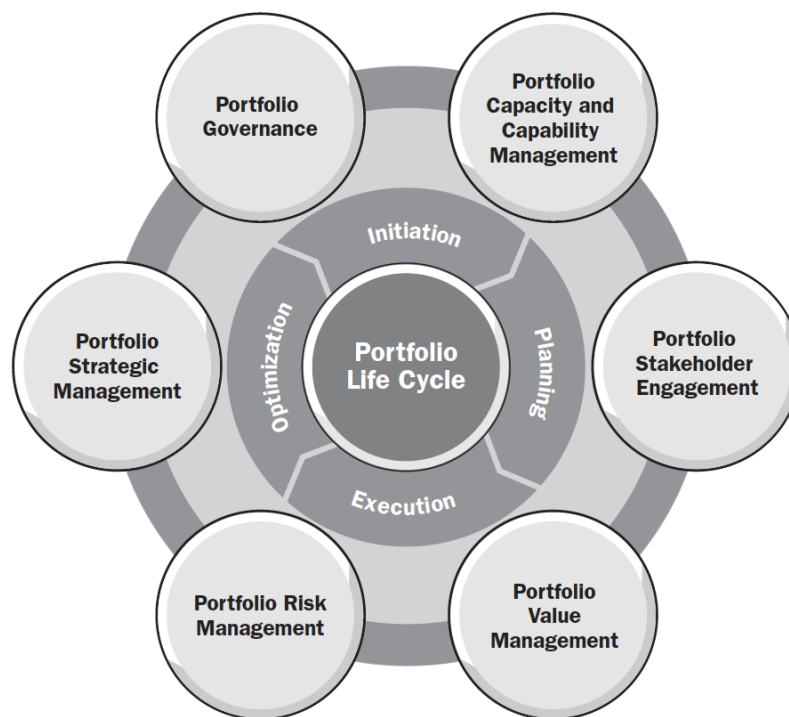
## Appendix A

According to the PMI Standard for Portfolio Management, sound portfolio strategic management is important to achieve excellence in strategic execution and ensures that infrastructure investments are aligned with the organization's strategy and governance practices. The strategic management framework supports strategic thinking and whether the right thing is being done and alignment of the portfolio components with the vision and values of the organization.

Effective portfolio governance enables transparency, responsibility, accountability, sustainability, and fairness in infrastructure investment decisions. The portfolio governance framework guides the portfolio decision-making processes in the interests of all stakeholders while adhering to the governance principles of the organization.

The goal of linking portfolio management with organizational strategy and strategic business execution is to establish a balanced, realistic plan that will help the organization achieve its goals. The impact of the portfolio management plan upon strategy is attained through six performance management domains and the portfolio life cycle (Exhibit 1). The six portfolio management performance domains represent the collection of good practice.

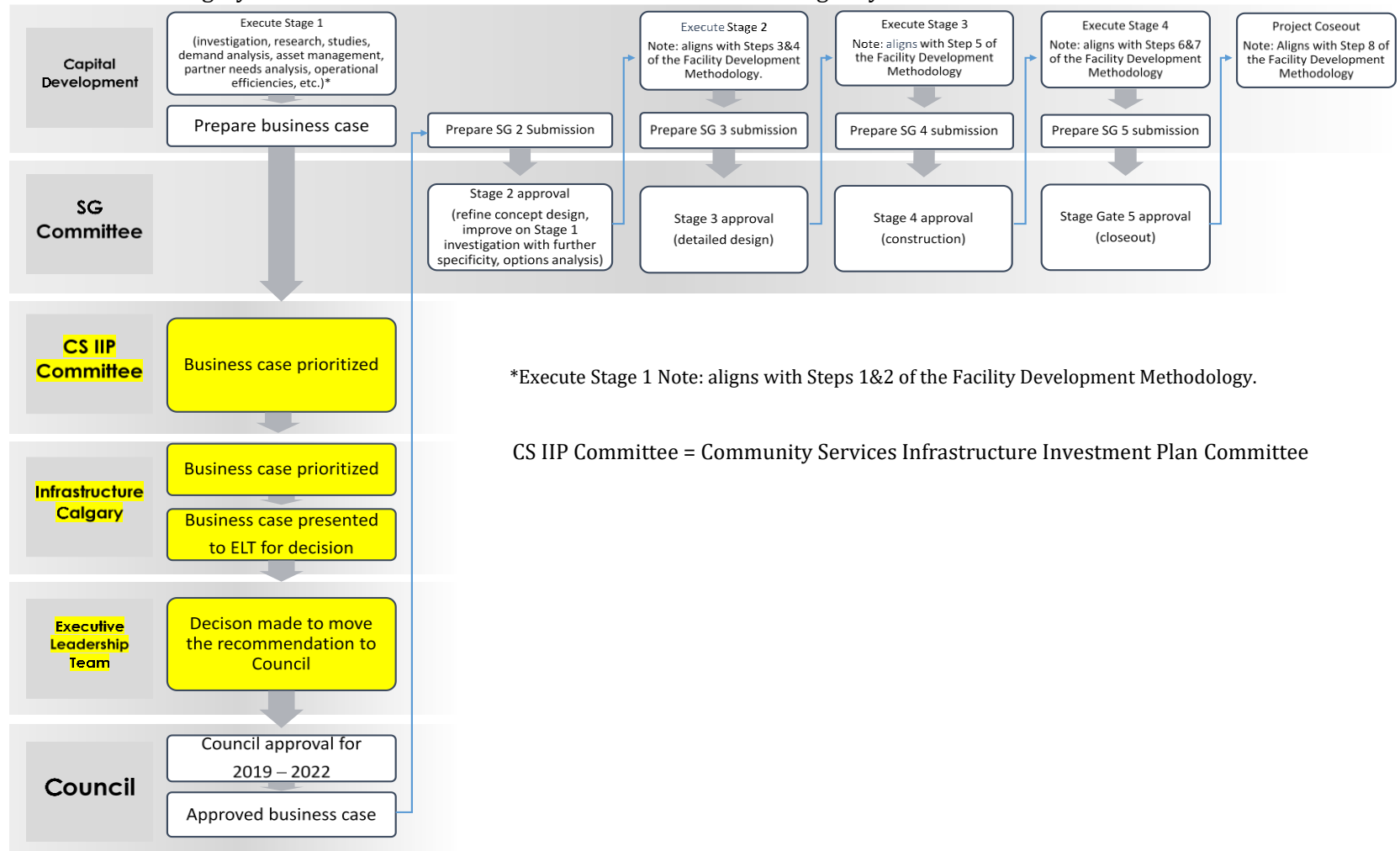
### Exhibit 1:



Source: *The Standard for Portfolio Management, Fourth Edition*

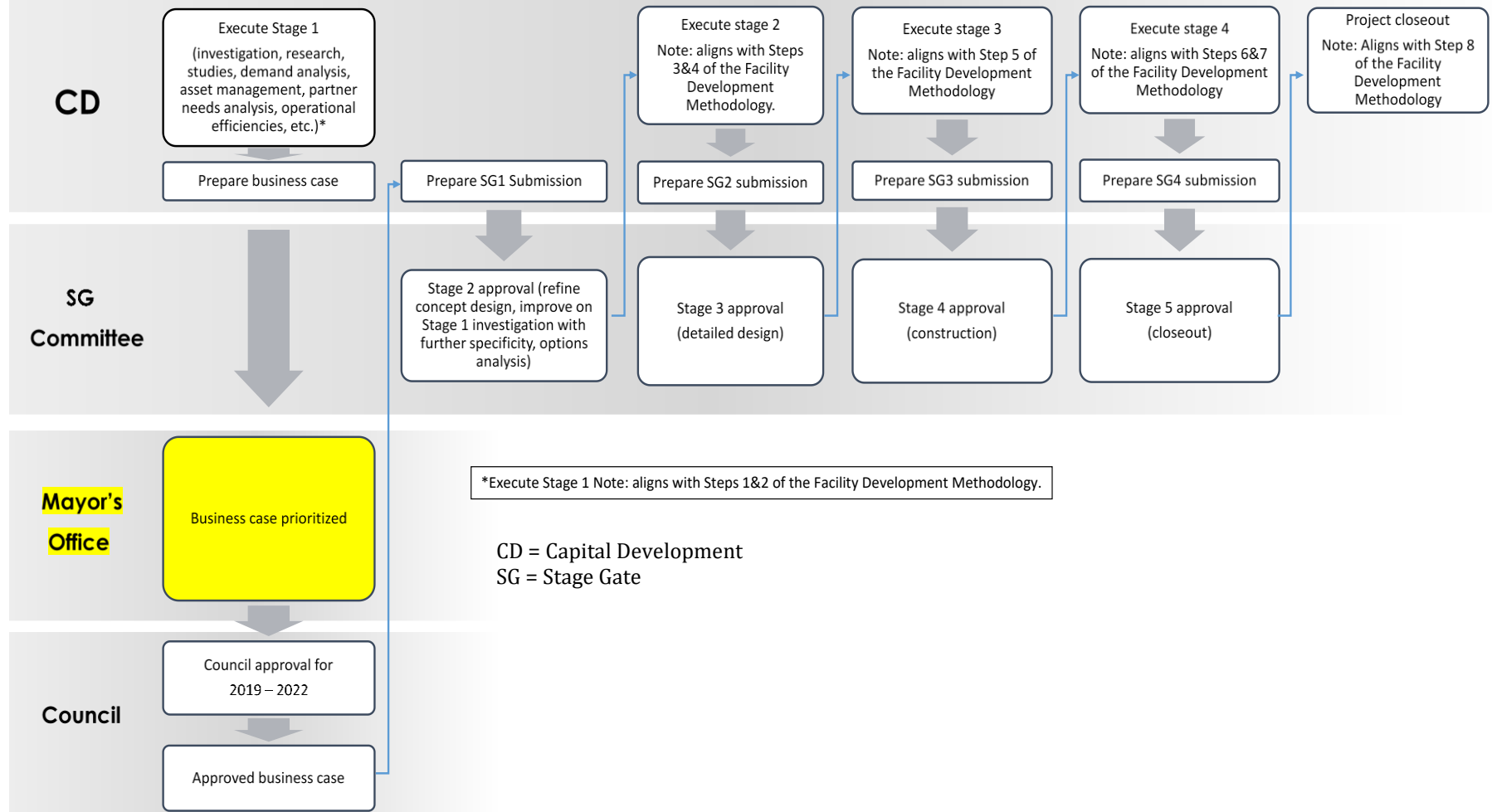
## Appendix B

**Illustration 1: Calgary Recreation Investment Process for the Four-Year Budget Cycle**



Source: Calgary Recreation

**Illustration 2: Calgary Recreation Investment Process for the Ad Hoc Response to Council Direction**



Source: Calgary Recreation