

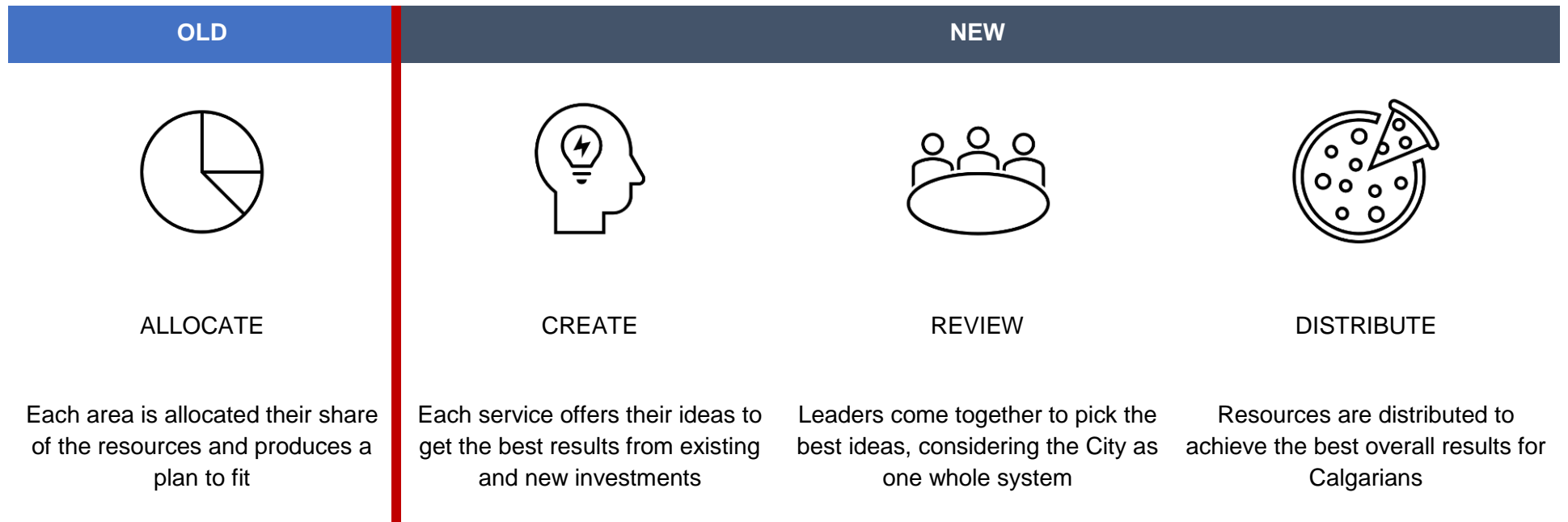
Service value through strategic investment for 2023-2026

An integrated and coordinated approach to planning, preparing, prioritization and funding helps align resources to Council’s strategic direction and identify opportunities to work together better and continuously improve, optimizing value to citizens.

Approach to creating service value through strategic investment

Historically, municipal budgeting relied on a simpler process of resource allocation, where budget cuts or increases were allocated to each Department on an across-the-board basis.

Our current process isn’t like that. It is based on a process where resources are reviewed collectively and distributed to achieve the best outcome for Calgarians.



Create:

Starting from first principles each time, services embark on a rigorous and comprehensive process beginning with a review of service purpose. Then they undertake a current state assessment, which looks to identify risks, monitor benchmarks, examine trends for future resilience, and review citizen feedback and insights on service value. This is critical to start determining investment priorities.

Administration was provided Council's Strategic Direction and the shared strategic agenda, which offers insight on the focus areas to be advanced through the delivery of the plans in 2023-2026. It guides the development of initiatives, strategies and performance measures. Performance measures identify the curves that we wish to turn as an organization in support of citizens and making their lives better.

This in-depth examination promotes creatively developing investment opportunities for review. These investments can be operating and/or capital and may leverage existing budgets or require additional funding.

Review & Distribute:

In this phase, leaders from across the organization come together to review and optimize investments. Collectively, these representatives provide a cross-corporate view, seeking to determine how the investments work together to create the overall improvement in value that citizens and Council expect. The outcome is a considered plan that balances the various drivers and priorities within the available funding envelope, enabling co-creation of the shared strategic agenda with Council and Administration that will advance the identified focus areas.

Approve:

An integrated Service Plans and Budgets package is provided to Council so that they can evaluate and debate the merits of the recommendations brought before them, resulting in decisions that Administration will implement over the coming cycle.

Infrastructure supports service delivery and value

Our assets are the foundation of our service delivery. Capital and operating investments are interdependent and must be closely intertwined.



Infrastructure investment, delivery & management

supports



Services The City provides to Calgarians

supports



Council's Strategic Direction

supports



Quality of Life in Calgary

Linked processes for optimizing operating and capital investments

Strategic Direction

Resilient Calgary: Council's Strategic Direction 2023-2026
 Shared Strategic Agenda
 Long Range Financial Plan
 Quality of Life Results

Service Planning and Budgeting Guiding Principles
 accountable, aspirational, equitable, integrated, value for money

Rigorous and comprehensive review of the current state to understand investment needs

Services determine how they best deploy existing resources to meet citizen expectations and Council's direction

Services determine the needs and opportunities for additional operating investments

Initial investment prioritization using Service Investment Process criteria & coordination with capital investment submissions

Balancing operating investments within available operating funding envelopes

Maximize service value through a strategic balancing of operating and capital investments combined, within available funding to achieve the best overall results for Calgarians



Services determine the needs and opportunities for additional capital investments

Initial investment prioritization using the Capital Infrastructure Investment Criteria & coordination with operating investment submissions

Balancing capital investments within available capital funding envelopes

Proposed 2023-2026 Service Plans and Budgets

Work phases to service planning and budgeting development

There are several layers to the service planning and budgeting process. Distinguishing between these layers emphasizes the importance of strategic thinking and reminds us that service planning and budgeting is more than ‘completing a form’.

Early in phase 1 of the service planning and budgeting process, the Trends Event was hosted virtually this year with a five-part speaker series designed to bring the organization together to increase awareness of trends impacting Calgary and how they can be integrated into the 2023-2026 Service Plans and Budgets. These sessions were designed to inspire and connect with what’s happening the world today to help strengthen decision making, governance and effective investments at The City. The virtual nature of this cycle’s event allowed for greater participation across the corporation, both on the day of each session and via the session recordings. The format of these sessions was new, involving a Question & Answer segment with the guest speaker and an expert city staff member.

New for 2022 was a Let’s Integrate! interactive discussion the day after each Trends session. This open discussion group, hosted by the Innovation Lab and our City Integration experts, allowed staff to connect to discuss what they heard and think more about how it might apply to their work. Each of these sessions produced a mural board capturing reflections on the keynote speaker and subsequent sessions.

Development and integration

In the previous cycles, guidance document included information such as The City’s approach to service planning and budgeting, Service Planning and Budgeting Principles, Results Based Accountability, etc. The actual instructions were provided later in documents. For this cycle, the foundational information was provided in its own module (Module 0) so that subsequent modules could be more targeted. For the 2023-2026 service planning and budgeting cycle we have 8 modules planned, an increase from the number of modules undertaken in previous cycles, to help focus and guide the work more effectively.

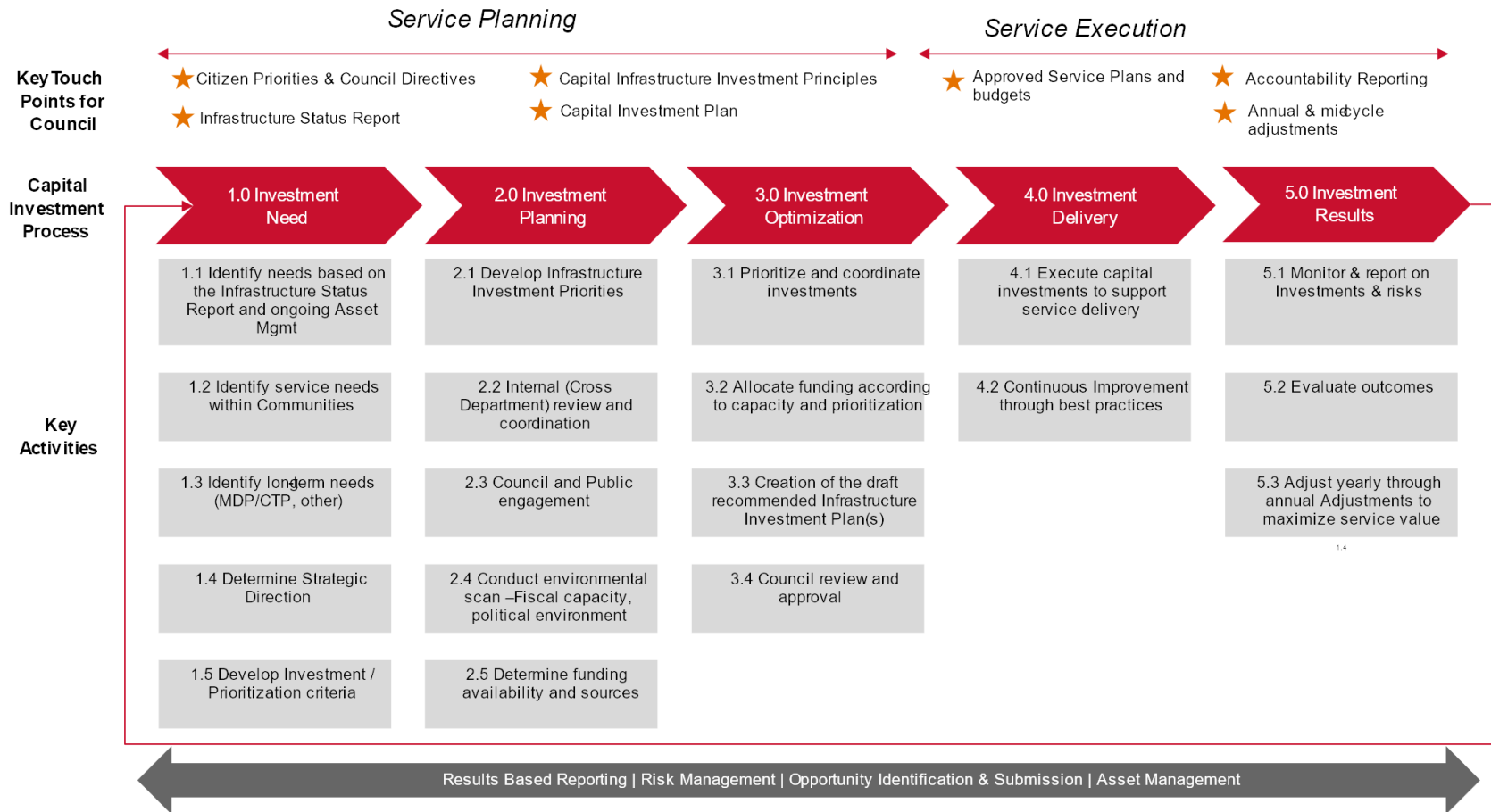
The table below describes each module and its purpose. Another new feature for 2023-2026 cycle is the use of Submission modules and Thinking modules. Modules that require submissions (Submission Module) typically lead directly to the content that will be released in the 2023-2026 Service Plans and Budgets report for Council deliberations. Modules that do not require submissions (Thinking Module) support service teams through strategic processes. Effort invested in these modules ensures that robust and thoughtful options are available for future decision-making and will promote conversations to generate innovative ideas and insights for ongoing management of City services. These modules will prepare services in advance of future deliverables, streamlining the submission process.

Modules	Purpose
Module 0 (Thinking): Service Planning & Budgeting Background Information	Provides background information related to service planning and budgeting at The City and an overview of the upcoming process to create the 2023-2026 Service Plans and Budgets.
Module 1 (Submission): Service Overview	Review the service and how it contributes to Council direction as well as citizen and business views and environmental context.
Module 2 (Thinking): Information to Consider when Building Your Service Plans & Budgets	Outlines foundational elements for services to consider when creating their services plans and budgets (trends, risks, resilience, climate adaptation, climate mitigation, equity, research and engagement, Council's Strategic Direction and the shared strategic agenda).
Module 3 (Submission): Service Investment Process	The mechanism for tax and rate-supported services to submit their plan and budget ideas. The investments feed into a cross-organization review process which considers the collective impact of all ideas and distributes resources to maximize service value and meet Council and citizen expectations.
New for 2023-2026 Service Network Workshop	Identify and brainstorm how services can collectively make the greatest impact for each of Council's Strategic Direction focus areas over the next four years.
New for 2023-2026 Data Request for Existing Initiatives that Deliver on Council Focus Areas	Services detail their initiatives, programs, projects or activities that can be implemented within existing budgets which contribute to Council's Focus Areas. This information will support leaders from across the corporation in reviewing and prioritizing investment opportunities to making the most informed and well-balanced decisions to advance Council's Strategic Direction for 2023-2026.
Module 4 (Thinking): Connecting Planning through the Process	<p>Identify how service results connect with initiatives, performance measures and benchmarks.</p> <ul style="list-style-type: none"> • Recognizing the importance of continuous improvement, service teams are encouraged to consider service improvement initiatives currently being implemented or planned. • New for 2023-2026: This cycle we will focus on "how well" and "is anyone better off" performance measures based on what their customers value about the service. • The practice of benchmarking involves identifying root causes of why a service performs the way it does.

Modules	Purpose
Module 5 (Thinking): Interrelationship Between Capital, Operating and Growth	New for 2023-2026: Understanding how the financial pieces of service planning and budgeting relate, focusing on the interrelationship between operating, capital and service planning.
Module 6 (Submission): User Fee Guidance	Guides the formulation and drafting for user fees and rates, including the bylaw amendment process (if required).
Module 7 A & B (Submission): Finalizing Service Plans & Budgets	Guides the completion and finalization of service plans and budgets.

The program team has also developed several tools, open houses, and other materials to support service teams as they move through the service planning and budgeting process.

The graphic below outlines the capital investment management process and the activities that support this process. These are the steps and activities that drive investment decision making. Right now, we are in the investment optimization phase, preparing for the 2023-2026 service plan and budget cycle. This step involves the collaboration and coordination of many people across the organization, and it requires a significant effort from leadership teams across the corporation.



While the process has some elements similar to that of previous cycles, key changes for 2023-2026 Service Plans and Budgets are noted in the table below.

Activity	Key Changes from previous cycle(s)
Corporate Capital Opportunity Investment System	<ul style="list-style-type: none"> • Launch of the new system, a rolling 10-year list of investment opportunities. • Enables Administration to capitalize on funding opportunities that might come available throughout the business cycle.

Activity	Key Changes from previous cycle(s)
Service capital investment submissions	<ul style="list-style-type: none"> Capital investment submission process started earlier than previous cycles, which included both Base – Annual Investment Programs (focused on maintaining existing assets, and a New – Strategic Investments (including growth) submissions.
Development of the Capital Investment Drivers	<ul style="list-style-type: none"> Updated from previous cycles and approved by Council, based on Council’s strategic direction.
Corporate Asset Management Plan alignment	<ul style="list-style-type: none"> Integration of the results from the Corporate Asset Management Plan into the capital investment process– for example asset condition, service level risk into investment requests and prioritization of investments.
Development of the Capital Prioritization Criteria	<ul style="list-style-type: none"> Updated to reflects Council’s direction, including the Capital Investment Drivers.
Coordinating investments across services	<ul style="list-style-type: none"> Opportunities to coordinate work across services within the same geographical locations. Opportunity to reduce overall program costs and interruptions to residents.
Scoring and ranking of capital investments	<ul style="list-style-type: none"> Updated weighted scoring based on Council’s direction and Capital criteria. Scoring will be used as one input into the decision-making process.
Growth Indication	<ul style="list-style-type: none"> Incorporation of Council’s indication of the Citywide Growth Strategy and capital investment, to be incorporated within the capital investment recommendations for Council’s deliberations.
Service Investment Process - Capital	<ul style="list-style-type: none"> Refined iterative process, where a number of inputs were used to create recommendations: <ul style="list-style-type: none"> Current asset condition and trend of infrastructure; Weighted scores of each investment; Operating cost / savings of capital; and Historical spend rates. Maximize service value through a strategic balancing of operating and capital investments combined together.

Need for investment comes from multiple sources

The investment opportunities come from a variety of sources, including: strategic direction, environmental scans and investment drivers.

- Trends that impact future resilience
- Risks
- Citizen feedback and insights
- Performance measure results
- Comparative benchmarks results

- List of operating & capital investment opportunities



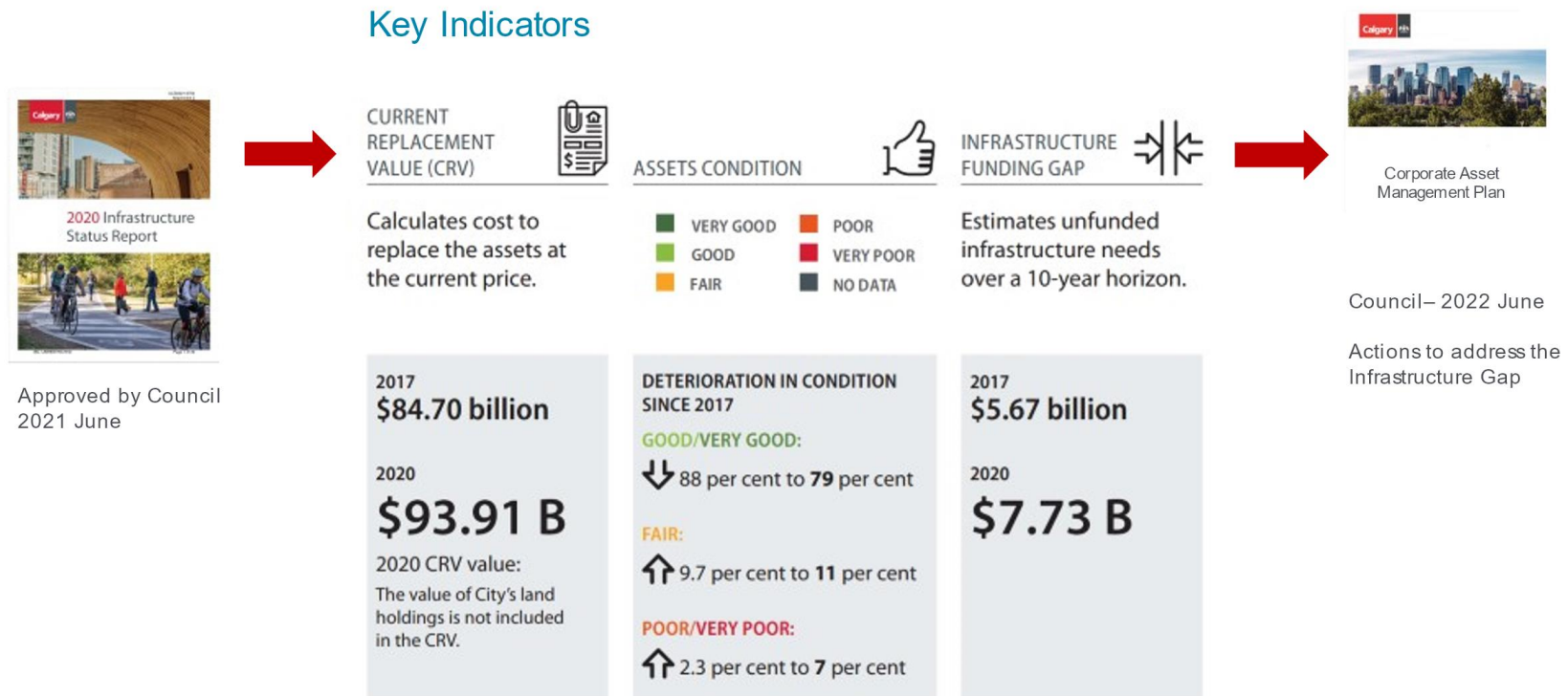
- Council's Strategic Direction
 - Shared Strategic Agenda
 - Long-Range Financial Plan
 - Quality of Life Results
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- Achieving current level of service
 - Citywide Growth Strategy
 - Legal / Regulatory Requirements
 - Infrastructure status & condition
 - Population growth
 - Community needs
 - Civic Partner needs
 - Strategic investments (e.g. Equity)
 - Climate mitigation & adaptation
 - Enabling infrastructure (e.g. Systems)
 - Infrastructure Status Report (ISR)
 - Corporate Asset Management Plan (CAMP)

Current Status of The City’s Infrastructure fuels needs

The 2020 Infrastructure Status Report ([UCS2021-0754](#)) is a key reporting document that is produced every business cycle. It highlights the status of City-owned assets and identifies potential areas of short and long-term infrastructure risks. The report serves as a guide for City Council to make informed infrastructure investment decisions ahead of the development of 2023-2026 service plans and budgets.

- The ISR provides a snapshot of The City of Calgary’s current infrastructure inventory, offers an understanding of the condition of its assets and identifies investment needs over a ten-year horizon. Key indicators are noted below.

Building from the 2020 Infrastructure Status Report, the 2022 Corporate Asset Management Plan ([AC2022-0584](#)) is a strategic document that details asset and service risks, and outlines strategies required to mitigate the short and long-term risks related to service performance and infrastructure gaps. Administration use this information as an input to the service planning and budgeting process and continually refine risk mitigations to find the right balance between the appropriate levels of residual risk, service, and lifecycle cost.



Managing performance: commitment to continuous improvement

The Performance Management System is an approach to continuous improvement that City staff use to better serve Calgarians, businesses, and visitors.

In a dynamic and complex organization, it's hard to be consistent and effective. We deliver many programs and services under the pressure of increasing service demands, competing priorities and limited funding. The Performance Management System provides tested methods and tools that allows us to manage our programs and services in a more consistent, effective and efficient way.

The five components of the system are:

- Service review and improvement
- **Service planning and budgeting**
- Performance measurement and accountability
- Integrated risk management
- Individual performance development

