



Service Improvement at The City

Continuous improvement of City services has and will continue to be a priority for Administration.

- ▶ Our employees are continually improving services for Calgarians through initiatives led by individual departments, business units and services. Among many other examples, recent achievements include modernizing planning application services, improved public engagement through online channels, and modernizing the registration system for recreation programs.
- ▶ Over the last decade, several corporate-wide programs have also helped modernize our services, deliver financial gains, and contribute to service effectiveness. This includes the Solutions for Achieving Value and Excellence (SAVE) program and the Zero-Based Review (ZBR) program.

This work is now at a natural transition point – we are closing out the SAVE and ZBR programs and launching the next iteration of continuous improvement for 2023-2026 and beyond. The new approach will bring together our service-led and corporate-wide service improvement efforts into a more harmonized and collaborative effort.

Service Improvement in 2023-2026

There are over 300 service improvement initiatives within the approved 2023-2026 Service Plans and Budgets.

Just a few examples include reducing building permit approval timelines, modernizing the public hearing process and reducing 9-1-1 processing times. It also includes initiatives from the ZBR and SAVE programs that are still in the process of implementation. Beyond these 300+ initiatives, our employees are continually making small improvements that are not large enough in scale to highlight in our plans and budgets – together, all these efforts lead to a better experience for Calgarians.

A new corporate approach to service improvement will energize, empower and amplify service improvement efforts across the organization. It will help ensure the 300+ service improvement initiatives have the capacity, resources and tools they need to be successful, and will better communicate the results of this work as they come to fruition. We will de-risk and accelerate initiatives wherever possible, helping to achieve results quickly for Calgarians. This new approach builds on the strong foundations of the ZBR and SAVE programs and will support implementation of outstanding initiatives identified through those programs.

Approach to service improvement

Vision

Our service improvement efforts contribute to building a resilient city and modernizing services for Calgarians. Service improvement is a source of excitement, inspiration and pride for our employees.

Mission

To elevate our services by energizing, empowering and amplifying service improvement across the organization.

Strategies



Energize

Provide support, capacity and expertise to service improvement initiatives through internal consulting services.



Empower

Provide service improvement training, resources and networking opportunities for all employees.



Amplify

Voice a unified story for Council and the public about our shared service improvement successes.



Key Strategies



Our new approach to service improvement will focus on three key strategies:



Energize

It can be challenging for operational areas to dedicate sufficient time and resources to continuous improvement while meeting the ongoing demands of service delivery. The corporate Service Improvement division within the Corporate Planning & Performance business unit will partner with other teams across the organization who support service improvement to offer internal consulting services. This consulting support will provide a boost of capacity to improvement initiatives and help achieve results quickly for Calgarians. Consulting support will be prioritized based on alignment with the approved 2023-2026 Service Plans and Budgets.



Empower

We will also empower employees and foster a community of practice to advance service improvement across the organization. This means building the toolsets, skillsets and mindsets for employees to be confident and skillful in tackling improvement initiatives, from conception through to completion. This may include access to instructional resources, tools and templates, referrals to relevant courses and training, and targeted learning events.



Amplify

Finally, we will improve communication with Council, Calgarians and employees about service improvement successes achieved by The City. This will build public trust by providing clear evidence of how The City is improving services and enabling Council members to relay this information to their constituents. It will also promote a culture of continuous improvement and showcase wins at all levels of the organization, inspiring others to lead improvements in their areas. Potential channels include reports to Council, social media, Calgary.ca, briefing notes and news releases.

Case for Change

Why do we need a change?

The need for a new service improvement program was informed by public engagement, Council’s Strategic Direction 2023-2026, the Rethink to Thrive Strategy, and feedback from the organization.



What we heard from Calgarians

Calgarians continue to have high expectations about receiving value for services. They expect The City to seek out efficiencies and cost reductions without lowering service levels.



What we heard from Council

To continue to shape Calgary into a resilient City, Council has made modernizing government a focus area for 2023-2026. This includes achieving “faster and better” services for Calgarians.



What we heard from the organization

The organization needs support to **prioritize** and **implement** service improvement opportunities, rather than focusing only on identifying new ideas for improvement.

How will we achieve the change needed?

The new approach to service improvement is informed by an extensive body of research on how to successfully improve performance and sustain improvements over time. These insights are also consistent with what we see other municipalities doing around service improvement.

- 1

Ensure support follows through to implementation

To realize full potential, it is necessary to focus on all stages of a transformation through to its completion. Over half of potential value is lost during and after implementation.
- 2

Engage and empower employees at all levels

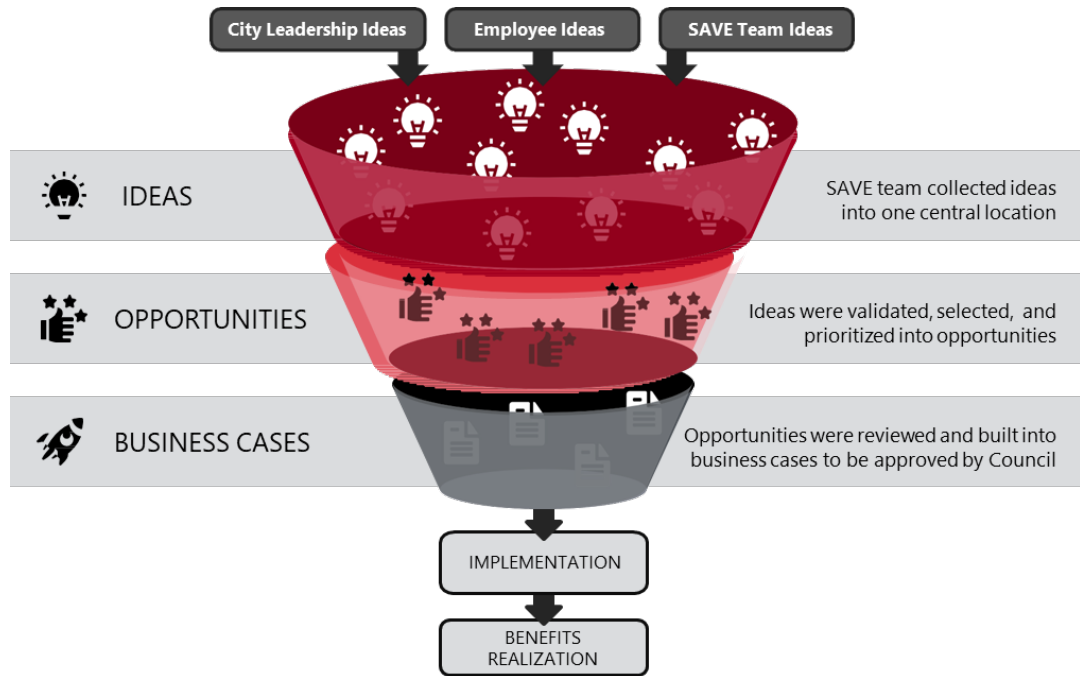
Building a strong network of employees who are well-equipped to contribute to service improvement is essential to success in the long term.
- 3

Celebrate and communicate successes

Celebrating short-term wins and telling an engaging story about how value is created across the organization will inspire and build a culture of sustained improvements.

SAVE Program Close Out

The Solutions for Achieving Value and Excellence (SAVE) program helped The City review existing initiatives and look for new solutions to modernize service delivery while continuing to keep Calgarians at the centre of our decisions.



City staff partnered with consultants at Ernst and Young (EY) to design a program that Calgarians could trust to be rigorous, inclusive, and efficient. SAVE projects were selected based on approved criteria that considered the ability to deliver savings within the 2021-2022 timeframe, risks, the desired culture at The City, as well as the ease and speed of implementation.

Program Results


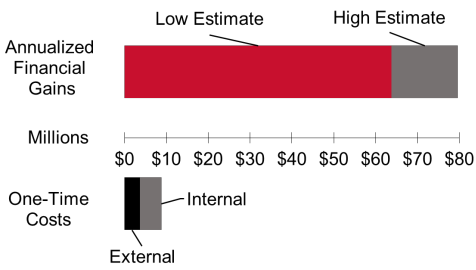
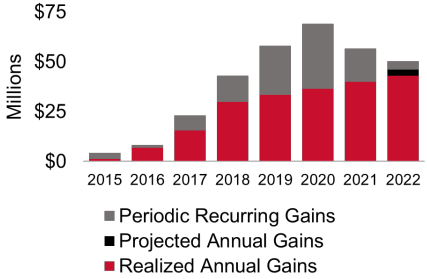
The SAVE program helped modernize City services and delivered a total of \$78.6 million in base operating savings. These savings enabled Council to reduce the tax rate for 2021 and make critical investments in our community in 2022.

To deliver these results, the SAVE program undertook a thorough investigation of all potential opportunities for cost savings at The City. We are confident the most viable and beneficial opportunities have been pursued. Additional phases of the SAVE program at this stage would yield minimal results without reducing service levels.

ZBR Program Close Out

The Zero-Based Review (ZBR) program was approved by Council in 2011 to continually improve the efficiency and effectiveness of City services. A Zero-Based Review is a thorough review of specific areas to determine whether the right services are being provided in the right way. We called this “zero-based” because it includes all costs of a service from the bottom up.

Program Results

<p>How much did we do?</p> <p>Proportion of City reviewed (% of 2018 gross operating budget)</p>  <p>Story behind the data:</p> <ul style="list-style-type: none"> • Twelve ZBRs were completed since 2011, which together reviewed 76% of The City's operating budget. • In 2019, Council directed Administration to pause new ZBRs so all efforts could be directed towards SAVE (PFC2020-0284). • Many key SAVE opportunities came from areas that the ZBRs didn't review (at least seven additional business units). 	<p>How well did we do it?</p>  <p>Story behind the data:</p> <ul style="list-style-type: none"> • The total predicted annual financial gains after implementation are between \$64M and \$80M. This includes cost savings, productivity gains, cost avoidance, and revenue. • Beyond financial gains, over half of ZBR recommendations identified improvements to service effectiveness. • About \$8 in annualized financial gains were identified per \$1 spent on the program. Costs include staff time and external consulting to complete reviews. 	<p>Is anyone better off?</p>  <p>Story behind the data:</p> <ul style="list-style-type: none"> • In addition to annual financial gains, which recur every year, some ZBRs included recurring cost avoidance or other gains which are realized at different frequencies. These are identified as periodic recurring gains. • Capacity building and skill development were key goals of the ZBR program – its legacy includes tools and methods that were used by SAVE and continue to be used now.
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At over a decade since the ZBR program was established, the time is right to close out the program and transition to the next phase of service improvement. Most of The City has already been reviewed (particularly services with the largest budgets) and our focus now is on implementation and sustainment. Where implementation of ZBR recommendations is still underway, this work will continue and results will be reported to Council through regular channels.

ZBR Project Results



The **Parks** ZBR is closed, and a final implementation update was submitted to the Priorities & Finance Committee on 2019 October 8 ([PFC2019-1246](#)).



The **Roads** ZBR is closed, and a final implementation update was submitted to the Priorities & Finance Committee on 2019 January 19 ([PFC2019-0041](#)).



The **Calgary Fire Department** ZBR is closed, and a final implementation update was submitted to the Priorities & Finance Committee on 2019 October 8 ([PFC2019-1246](#)).



The **Water Services** ZBR has seen significant savings of over \$24M to date from implementing ZBR recommendations, which is higher than predicted. Water Services has made great strides with its continuous improvement initiatives, finding considerable additional savings through implementation of trenchless technology, and reorganizing the field operations divisions to meet customer expectations and optimize resources. Many of the practices identified in the ZBR process are now part of normal business practices.



The **Calgary Transit** ZBR started realizing financial gains in 2017. Procurement and Inventory Management is being implemented as part of the SAVE initiative and work is underway corporately. The alternative transit revenue opportunity initiative was set back due to the COVID-19 pandemic, but Calgary Transit is in the process of implementing plans to send out RFQs for advertising opportunities.



The **Water Resources** ZBR saw significant periodic savings in the form of capital cost avoidance. Capital Investment portfolio management recommendations have resulted in cost avoidance of approximately \$30.4M from 2017-2021 (\$6.1M on average per year over 5 years). Water Resources has also seen savings from a modified Capital Delivery model for the construction at Bonnybrook Wastewater Treatment Plant, approximately \$25.3M in savings from 2018-2021 (\$6.3M on average per year over 4 years). The implementation of the stage-gating process allows the Water Utility to effectively manage the capital budget to align with investment needs.

Water Resources continues to progress the development of the levels of service framework to guide future business decisions. All recommendations are being implemented and long-term benefits will continue to be realized as we work differently to make investment decisions with the customer at the core.



The **Calgary Recreation** ZBR delivered improvements to the service delivery continuum. To date, the implementation of the modernized admission charges and realignment of operating hours with customer usage have not provided efficiencies due to the impacts resulting from the COVID-19 pandemic. The recommendations related to strategic alignment are expected to evolve service and program delivery through future service plan and budget cycles.

ZBR Project Results



All recommendations from the **Calgary Building Services** ZBR have been successfully implemented.

- All permit applications are available online (complete with digital submission, circulation, and digital approvals), eliminating paper requirements and heightening convenience as we modernize the way we serve our customers. Online services resulted in an 85 per cent reduction in customer visits at the permit services front counter, saving customers time and money.
- Self-directed services – all business license and permit applications can be submitted and paid for online, giving customers, in particular home and small business owners, full online self-serve capability and convenience, resulting in efficiencies for customers and City staff while improving the customer's journey and experience.
- Risk-based approach - To improve efficiency and convenience for customers, a formalized risk-based decision-making model for inspectors has been adopted. This aligns inspection requirements with their associated risks, reducing the need for homeowners and small business owners to make time for an inspection that isn't necessary.



Cost savings and productivity gains achieved through the **Information Technology** ZBR Right Device initiative in 2019 have been significantly impacted by the requirement for additional devices to support remote work during the COVID-19 pandemic. Work on Application Portfolio Management will be included in the Assess and Adjust phase of the Organization Realignment to address application rationalization needed as a result of changes to the functional structure. Additionally, further rationalization will need to occur as part of the Calgary Parking Authority integration. The IT scope of the Clarifying the Mandate initiative has been completed.



The **Legal Services** ZBR was finalized in 2019 and approved by Council on 2020 January 21 ([PFC2020-0035](#)). Since its approval, Legal Services has been successful in completing two of the six Administration commitments and all actions contained within the commitments are either complete or underway. Of note, Legal Services has taken major steps to focus on the business of Law to provide the *Right Service at the Right Time for the Right Value* leading to productivity gains, avoidance of budget increases and a more connected and engaged staff.



The **Internal Recoveries** ZBR made important strides over the past year, such as the service catalogues and service categorizations. These are foundational pieces in designing modernized funding structures for services and will further inform the service governance model in the new functional departmental structure. This transformative initiative will further support modernizing municipal government and put Calgary in a leadership position among Canadian municipalities, as highlighted through benchmarking studies. Due to staff capacity challenges resulting from the COVID-19 pandemic, the ELT decided to pause the project until 2023.