

CIVIC INNOVATION YYC – RESPONSE TO CUT RED TAPE RECOMMENDATIONS

EXECUTIVE SUMMARY

This report to Priorities and Finance Committee (PFC) provides an information update on Administration's plans and response to the recommendations from Council's Cut Red Tape Program tabled in February 2016. Also, an update on progress and plans for Civic Innovation YYC program in 2016.

ADMINISTRATION RECOMMENDATION(S)

- 1) That Priorities and Finance Committee receive this report and attachments for information; and
- 2) That Administration return to Priorities and Finance Committee in Q1 2017 with an update on Civic Innovation YYC and any requests for funding.

PREVIOUS COUNCIL DIRECTION / POLICY

The Cut Red Tape report PFC2016-0049, prepared by The Mayor's Office, went to Priorities and Finance Committee on 2016 March 7. There was a recommendation for Administration to report back to PFC no later than Q2 of 2016.

On 2016 June 28, PFC approved a deferral of the response to the CRT report to no later than the end of Q4 2016.

BACKGROUND

The overarching direction of Council's Cut Red Tape (CRT) program was to have Administration operationalize the program and embed the principles and best practices into the culture and normal business processes at The City. The objective was that innovation should become a continuous business process. The belief that Civic Innovation YYC is built upon is that civic government can do better: we can achieve better value for money, improve the experience of interacting with government and deliver high quality programs and services – this is achieved by working with citizens, businesses and city staff.

After the conclusion of the CRT program in 2015 July, responsibility to embed the CRT principles into The City was transitioned to the Deputy City Manager's Office (DCMO) with Civic Innovation YYC being created under the umbrella of the AnalyticsCalgary program. This was a natural fit, with an increased corporate focus on innovation, collaboration, analytics and open government.

The world around us is changing rapidly, governments are responding by finding new ways of thinking and working together with citizens and stakeholders. More than ever, citizens want to share their ideas, time and expertise to build solutions with government. Civic Innovation YYC adds to a cultural shift already underway in Administration – a shift towards more transparent, collaborative and citizen-centric problem solving.

Since 2015 August, Civic Innovation YYC has worked on creating this program that will provide an ongoing pathway into government to for citizens, businesses and employees to openly share their innovative ideas around improving civic services and provide an opportunity to build solutions with government. This is evidenced by the great work already actioned:

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1. Digital Platform: Secured and customized a digital platform to crowdsource ideas and manage idea flow. Launched to employees just prior to summer 2016 and intend to launch to the public in Q2 2016 via challenges issued by Administration and Council.
2. Civic Innovation YYC Lab: Sourced and designed office space for an innovation lab, where citizens, businesses and staff can collaborate to take ideas into action.
3. Governance: Formed an Internal Advisory (IA) and External Advisory (EA) to continue to help shape the program and provide guidance on prioritization of projects. The EA group builds on the former Cut Red Tape Business Advisory Group with an updated membership and terms of reference.
4. Innovation Landscape: Researched best practices, created a broader network of innovators in government, established a fail fast environment, adopted design thinking practices, and proactively worked with Law and Corporate Analytics and Innovation to create a new intellectual property framework to welcome co-creation. Built trusted relationships with post-secondary, civic partners, industry and non-governmental organizations. Attachment 2 provides an update on Civic Innovation YYC's progress since as well as future directions.

At the conclusion of CRT, the program found and implemented savings of more than 143,000 hours, translating to over \$14 million in savings for our citizens and The City.

After engagements with the main stakeholders (employees, business community and citizens) and the delivery of the ideas brought forward by Administration, the program concluded with a balance of \$119,400 from the Council Innovation Fund.

In 2015 July, the DCMO assumed responsibility for the CRT program and committed to the following three deliverables to operationalize the program:

- Reconstituting the Business Advisory Group in 2016, with updated membership and terms of reference;
- Development of an online portal to solicit ideas from citizens, employees and businesses for improving city processes and sharing ideas for innovation;
- Working with business units to implement feasible ideas received in the intake process.

In 2016 February, PFC recommended that the Mayor's Office apply the balance of \$119,400 from CRT to fund projects that support the Civic Innovation YYC program. These funds were used to source a digital idea crowdsourcing platform and provide micro funding to develop innovative ideas.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In 2015 August, the CRT team provided Civic Innovation YYC with a lessons learned document which, along with the recommendations, provided the basis for the direction for the new program. In addition, interviews were conducted with internal and external stakeholders of the CRT program.

During the fall of 2015, further outreach discussions with innovation programs in government, private sector and post-secondary institutions were conducted and provided great insight that helped shape the model for Civic Innovation YYC. In 2015 October, the framework was

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presented to the ALT and approval was received to move forward and operationalize Civic Innovation YYC.

Stakeholder Engagement, Research and Communication

Individuals from across The Corporation were brought together to form a working group in the fall of 2015. This group became instrumental in furthering the development of the governance structure, online platform and intellectual property framework. They also shared the concept within every business unit.

Civic Innovation YYC launched internally in 2016 May with the crowdsourcing platform for staff to share innovative ideas, and develop these digitally with an engaged staff community. In two months, and as of 2016 August, the platform had over 1700 users, 225 ideas, 827 comments contributing to ideas and 8563 votes on ideas by the employee community.

An internal advisory group has been formalized with members who were appointed by Directors from each business unit. Since 2016 July, the IA has reviewed 45 ideas that passed the threshold of “up” votes within the community. The IA evaluates those ideas based on return on innovation (RII) criteria that elevate ideas that would reduce costs, improve citizen experiences and the impact of civic services. Attachment 4 provides a membership list for this group.

In 2016 September, an external advisory group was formed, reconstituting the key elements of the Business Advisory Group, with updated membership and terms of reference. Attachment 3 provides a membership list for this group.

As of 2016 August, 20 ideas are in the Civic Innovation YYC Lab being developed towards action with city staff.

Strategic Alignment

Civic Innovation YYC under the Analytics Calgary program drives innovative thinking across The City while aligning with the 2015 – 2018 Council priorities including ‘a prosperous city’ and ‘a well run city’, the eGovernment Digital Strategy and the Leadership Strategic Plan.

Social, Environmental, Economic (External)

A recent *Organization for Economic Cooperation and Development* (OECD) report¹ highlights the importance of opening up to innovative ideas by empowering citizens, business and workforces; the value of co-designing and co-producing solutions in a complex and uncertain world; and innovating on back-end and front-end business processes.

Citizens, business community and stakeholder organizations expect to develop solutions with government. They want to participate, influence and collaborate in more ways than just casting a vote. They want to give their time and expertise and they believe collaboration, including many minds and perspectives, will leverage the power of diversity and deep lived experiences.

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Governments across the western hemisphere are investing in innovation – both from the perspective of optimizing existing services but also to find new forms of value – social, ecological and economic. Within Canada there are a number of public sector innovation initiatives – several Provincial and Federal departments host initiatives. At the municipal level, Vancouver and Edmonton both recently piloted innovation initiatives.

The Civic Innovation YYC is a vehicle for collaboration and the crowdsourcing of ideas – this includes an openness to test new ideas and a continuous improvement approach. Staff have the opportunity to participate in idea generation and project prioritization. When ideas are sufficiently developed, they move to 'the lab', a physical space located across from Council Chambers.

Highly engaged citizens, members of the business community and stakeholder organizations can get involved by participating in *opportunity labs*, *challenges*, *tiger teams*, *mini hacks*, *rapid experiments* and *residencies*. These processes are both intuitive and participatory and allow space for promising but unconventional ideas to grow as well as co-creation across business units and with citizens.

Financial Capacity

Current and Future Operating Budget:

In 2016 March, Council approved the transfer of the remaining CRT funds of \$119,400 to the innovation initiative. Of these funds \$58,900 were used to source an off-the-shelf digital idea crowdsourcing (MyCityInnovation) platform. The balance of \$60,500 budget will be used as micro-project/seed funding to implement ideas on the platform. The program is anticipated to finish 2016 with a balance of \$0. The citizen and business platform will launch in 2016 October.

Civic Innovation YYC will return to PFC on an annual basis with specific funding requests from the Council Innovation Fund to implement innovative projects and report on RIn. Projects are funded on a micro-project basis to implement innovative ideas identified by the citizens, businesses, stakeholders and staff. Micro-project funding is generally less than \$10,000 per project and leverages existing operational funding, external grants, and/or other external sources where possible.

Current and Future Capital Budget:

There is no impact to the capital budget.

Risk Assessment

No major risks have been identified as the initiative is aligned with Council's Fiscal Plan and ongoing communication is occurring through various tactics and tools. Performance measures will be identified based on the Results Based Accountability (RBA) approach.

ATTACHMENT(S)

1. Administration Response – Implementation of Recommendations from Cut Red Tape
2. Civic Innovation YYC Update on progress since August 2015
3. External Advisory – terms of reference and membership

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4. Internal Advisory – terms of reference and membership
 5. Return on Innovation (RIn) Overview
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