

ENGAGE STRATEGY FOR BUSINESS PLANNING & BUDGETING FOR 2015-2018

EXECUTIVE SUMMARY

Stakeholder¹ input is a critical component of The City's decision-making process. Business planning and budgeting are key steps towards achieving The City's long term outcomes.

The 2015-2018 business planning and budgeting coordination (BPBC4) engagement approach is to build on previous stakeholder input, research, and industry trends that identify 'what' citizens want for service delivery (i.e. citizen satisfaction survey, 311 calls, other stakeholder feedback sessions). This strategy is aimed to also 'continue the conversation' with Calgarians with a focus on an open and transparent government by providing Calgarians with the opportunity to describe 'how' they want their services delivered. This strategy includes a large outreach initiative through a multi-channel conversation platform creating opportunities for citizens and industry stakeholders to participate digitally and around Calgary. The process would focus less on City organizational structure and more on services and outcomes to understand how stakeholders want to prioritize spending to continue to move The City towards achievement of long-term goals. The details of the engagement program including identification of what questions to engage citizens on and will continue to be developed upon approval of the comprehensive approach.

ADMINISTRATION RECOMMENDATION(S)

That Council:

1. Receive this report for information;
2. Approve the adoption of Option C (Comprehensive, Outcome-based Engagement Strategy) to direct the Engagement Process for BPBC4; and
3. Forward the one-time operating budget request of \$550 thousand to be considered in the 2014 Budget Adjustment Package to be funded through the Fiscal Stability Reserve.

PREVIOUS COUNCIL DIRECTION / POLICY

Multi-year business planning and budgeting was first introduced in 2005, with the fourth series of this process coming forward for the 2015-2018 four-year business and budget cycle. Each process has resulted in improvements and enhancements to the business planning and budgeting process, including enhanced engagement of stakeholders.

Council approved the following recommendation in PFC2012-033, Final Debrief: 2012-2014 Business Plan & Budget Coordination Program,

Recommendation 5: That the approach and lessons learned from the 2011 engagement process be used for the next program cycle.

BACKGROUND

A complete process report that will include a recommended approach for preparation of the 2015-2018 Business Planning and Budget will be brought forward in December **2013** to Priorities and Finance Committee. The engagement report precedes the complete process report due to timing and 2014 budget considerations required for the launch of a stakeholder engagement program.

¹ Stakeholders is defined to include citizens, customers, businesses, staff, and anyone who self-identifies themselves as having a stake in the decision being made by The City.

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Engagement has evolved over the past 10 years at The City of Calgary. The *engage!* Policy first developed in 2003, has been revamped in 2013 to focus more clearly on enabling stakeholders to provide input on decisions that impact their lives. Stakeholders identified that actually participating was not as important as being aware that there were opportunities to participate, being told what was done with the input, and understanding how their input made a difference to the decisions being made, and if their input did not affect the decision, why not.

The multi-year Business Plan and Budget Coordination Program typically includes the following major components:

- Council Priorities – Establishes the Corporate direction focusing on a four year-horizon to achieve strategic corporate outcomes.
- Stakeholder Engagement – Provides important information and input regarding priorities for the business cycle including changing priorities from established community visions, to inform Council priorities, departmental business plans and budgets.
- Departmental Business Plans – The development of Departmental Plans identify goals, strategies, and services to be provided over a business cycle, establishes accountability for delivery and identifies targets and performance measure to monitor progress.
- Budgets – This process includes a revenue review and subsequent establishment of tax rates, utility rates, and user fees. This phase also identifies the capital and operating spending priorities, the specific initiatives and service outcomes that will be funded.

The multi-year business planning and budgeting coordination (BPBC) program was designed to better align planned actions (and associated budgets) with long-term outcomes, as identified in The City's guiding strategic documents (e.g. imagineCALGARY, Municipal Development Plan, Calgary Transportation Plan, etc). After each municipal election the new Council has the opportunity to establish priorities and set the direction to move Calgary forward in a strategic direction over the next term. The inclusion of stakeholder input as a component of the multi-year process enhances the quality of Council Priorities, Departmental Business Plans, Budgets, and ultimately, the services delivered to Calgarians.

The 2015-2018 BPBC process report includes consideration for the use of possible common focus areas or themes as a common baseline for engagement and plan development. The focus areas would be framed utilizing a citizen centric approach to identify desired outcomes with reduced focus on City organizational structure. The focus areas would be utilized to create common language, improved alignment within each of the major components of the Business Plan and Budget Coordination Program, and provide opportunities for improved measurement of success.

The first BPBC (2006-08) involved minimal stakeholder input. The focus was on development, coordination, and alignment of business plans with closer linkage to budgets. The second cycle, BPBC2 (2009-11), utilized 'focus groups' of citizens, where randomized groups of citizens were asked about City services, with an attempt to get them to understand the allocation of tax dollars. One of the challenges was that these previous business plans and budgets were developed within the existing organizational hierarchy, with stakeholders requiring knowledge of the organizational structure to be able to review and identify opportunities for improvement.

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The engagement process for the 2012-2014 BPBC3 gathered input on stakeholders' broad service needs, values, and priority trade-offs, using high-level costing estimates, for City services. The process incorporated some online channels, as well as several City open houses. The open houses were poorly attended while the on-line channels were well received. Overall engagement results indicated that stakeholders ultimately 'want everything', with no clear consensus to direct the prioritization or elimination of City services.

In addition, the annual Citizen Satisfaction survey results have continuously identified that citizens prefer tax increases over cuts in services, as well as a strong desire to maintain or enhance current City service levels.

The following lessons learned from 2012-14 business planning engagement process are being used to shape the current business planning engagement strategy (PFC2012-14 Our City, Our Budget, Our Future. Report back on Use of Innovation Fund):

- Engagement should be sooner in the program, and allow more time for Council and Administration to review and reflect on final input report.
- Provide background and awareness information at the beginning of the process, in language understandable to the various audiences, to enable participants to provide meaningful and informed input to the business planning and budgeting process.
- Leverage existing City research and engagement results, as well as industry, community, and other relevant information.
- Identify clear expectations up front to ensure results of engagement meet the needs of Council and support their decision-making process.
- Go 'to the people': work with existing events, community partners, and various specialized outreach programs to ensure broad and multiple participation opportunities are available to all.
- Coordinate engagement and communication outreach activities to minimize confusion, ensure alignment, and not over-use or waste stakeholders' time.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Several recent projects and initiatives have helped shape the appetite for stakeholder involvement in City decision-making, such as: the *engage!* policy review, recent Council Innovation Projects (e.g. Bow-to-Bluff citizen-led engagement, Mission Road Main Street, and Supporting Partnerships for Urban Reinvestment – SPUR), Transforming Planning projects, and the Corporate Customer Service Framework. Stakeholders want to have the opportunity to provide input to City decisions that impact their daily lives, at their convenience, and through their choice of channel and location.

The BPBC4 engagement is the next step in 'continuing the conversation' with stakeholders, a journey that continues throughout the business planning process, into the daily delivery of services, programs, and projects to stakeholders.

Alternatives Considered:

Going to 'where the people are' is a daunting task with over 1.2 million residents, over 325 square miles of land, within 198 communities across 14 wards. Three alternative engagement options for the BPBC4 program are proposed, ranging from information gathering to a

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comprehensive, focused engagement plan, enabling stakeholder input through multiple opportunities.

The Attachment outlines the high level components of the three options noted below, with budget estimates and anticipated end results for each.

Option A (Information Gathering):

The 2013 municipal election campaign process provided opportunities for many conversations with citizens about their concerns, priorities, and desires for City services. Door-knocking, candidate forums and debates, as well as media interviews and articles, provided information about what was heard during the election campaign.

This Option focuses on compiling the input received by Councillors during their election campaign, along with what information is reported through media, and categorizing these into themes. The information could be posted on The City's website, with options for stakeholders to input commentary on the information provided.

This option is the least costly of the three considered, but limits the participation opportunity to primarily those stakeholders who were drawn in during the election campaigns, with minimal opportunity for the public at large to provide their thoughts and sentiments on City plans, or to hear other stakeholders' sentiments.

This option is identified as a low cost option at \$10 -\$20 thousand primarily for web development. Existing staff resources assigned to this project are not included in the estimate.

Option B (Listen & Learn):

This Option proposes a modified approach of reaching out to stakeholders by co-hosting one community 'event' in each of the four quadrants, supplemented by a roving mobile engagement bus (re-purposed from the recent Elections Bus) to attend community events. An online presence would enable stakeholders to submit suggestions where The City needs to focus resources and efforts to achieve long term objectives.

This option slightly expands the reach by including one face-to-face opportunity in each of the four quadrants, and using the mobile engagement bus where appropriate. The attendance at these types of events may not be substantial, so the community opportunities would be supplemented by an online presence where stakeholders could provide ideas and suggestions for where The City needs to focus resources and efforts to achieve long term objectives. This option is estimated to cost \$100-\$135 thousand including approximately \$40 thousand for staff related costs to prepare materials and for engagement as well as budget for the bus and materials development. This estimate does not include costs related to existing staff resources that would be allocated towards the project as a priority between January and April 2014. This option does not include a large awareness campaign to generate public interest in participating in the initiative.

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Option C (Consult):

Stakeholders require appropriate and adequate background and awareness information to be able to provide knowledgeable input. This Option represents a comprehensive, inclusive, and multiple-opportunity approach to engagement, focused on City outcomes and strategies. The goal is to inspire and enable stakeholders to participate in achieving the vision described in imagineCALGARY and participate in identifying priorities for spending and service delivery for 2015-2018.

This approach will gather and analyze previous stakeholder input and research, as well as industry trends, and use a multi-channel conversation platform to focus the conversations for stakeholders to clarify the short-term outcomes that should be achieved in the four-year business plan and budget cycle to move The City towards achieving the long-term vision.

The City's existing channels will be maximized, and supplemented with both traditional and digital mediums. Extensive marketing will inform stakeholders of the multiple opportunities to participate, as well as extending opportunities out to communities through attendance at shopping malls, sporting and community events, and on-going use of the engagement bus at places where stakeholders congregate (e.g. LRT stations, church services, community / city events, etc). Utilizing existing community networks and spaces broadens the reach while minimizing costs as much as possible.

In addition to outreaching through stakeholder-located channels, this option also incorporates online engagement opportunities, including new tools for in-depth analysis and feedback focused around possible themes or topic areas that resonate with stakeholders' daily lives. Also included may be online forums, idea-generation, rating, commentary, and content analysis.

The engagement activities may be organized around themes or topic areas, and minimize the need to understand The City's organizational structure. City staff from a variety of operational areas may be asked to support engagement activities in the communities, to provide subject matter expertise where required. The cost of these internal staff has not been included in the costing models. The one-time cost estimate to undertake this option is \$500-\$570 thousand which includes 1.5 new limited-term staff allocation and costs associated with creating background information on City budgets and business plans, generating materials to create awareness of opportunities to participate, and costs associated with the execution of multiple platforms. In addition to the operating budget request, this option also assumes that the engage activities for this program would be a priority for the first two quarters of 2014 through the utilization of existing staff resources

Recommended Option:

Administration is recommending Option C, as it capitalizes on existing data, information, and expertise, utilizes multiple channels to the largest extent, and results in the most comprehensive, focused input to support Council's decision-making process.

The proposed engagement plan is to reframe the information and discussion beyond prioritizing City services within the current organizational structure. The approach is to enable focused dialogue centered on the community vision outlined in The City's guiding strategic documents

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(which were developed with significant stakeholder input), and gathering input to define the outcomes required to progress towards achieving the long-range plans for Calgary.

The cost is higher than the other two options, as resources are required to compile and analyze information for awareness and understanding, to develop the multi-channel platform required to have the focused conversations, to market the multiple opportunities to participate, and to implement the engagement activities out in the community, such as shopping malls and community events and the roving engagement bus.

Stakeholder Engagement, Research and Communication

The BPBC4 core team is currently planning out the details of the BPBC4 process. During the last cycle of business planning, stakeholders were asked how they wanted to be engaged in the business planning process. The "Lessons Learned" from the BPBC3 engagement process included feedback about their experiences with the engagement channels, tactics, strategies, and results. Lessons Learned from the recent Engage Policy Review project, as well as individual project engagements, were also incorporated into the recommendations. A number of meetings have been scheduled with Council members to discuss this report.

Strategic Alignment

The engagement of stakeholders is a key component of building a great City for everyone, forever, and is also in line with the recently Council approved *engage!* Policy. The input received through this process will inform Council's Strategic Planning process, validating the direction towards achievement of long-term goals.

The proposed strategy is also in line with achieving the Engagement and Empowerment objectives under the 2020 Goal of "*Community Well Being*"

- By 2020, The City demonstrates that a broad representation of our citizen's voice has been considered in setting priorities and delivering services,
- By 2020, The City communication and engagement opportunities are available in multiple formats, channels, and languages.

Social, Environmental, Economic (External)

Social

The proposed strategy focuses on creating opportunities for interested stakeholders to provide input into priorities and outcomes for the 2015-2018 business plan and budget process. A comprehensive approach will continue 'the conversation with citizens and other stakeholders' subsequently improving the level of 'trust' citizens have with Civic Government. An approach that includes 'going to where people are' could generate results that are more representative of the general public's ideas than utilizing solely traditional approaches to engagement (open houses).

Environmental n/a

Economic (External)

Bad engagement does damage to trust and reputation; more than no engagement at all.

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Spending appropriate amounts of money up front is more cost-effective than trying to 'recover' from engagement done badly (or not at all) and having to overcome enagement before actually getting meaningful input from stakeholders. In addition to promoting involvement to Citizens in Calgary, this approach also recommends undertaking initiatives to engage corporate Calgary including business leaders to participate in the process.

Financial Capacity

Current and Future Operating Budget:

The City's BPBC4 program budget includes an allocation of \$110 thousand for Communication expenses, designated to cover the Program communication needs, both internally and externally. There is currently no allocation of funding for BPBC4 engagement.

The previous BPBC3 engagement cost was approximately \$900 thousand. This request for one time funding of \$550 thousand financed through the Fiscal Stability Reserve is estimated based on effectively incorporating lessons learned from previous engagements, delivering with primarily internal resources, and capitalizing on community events, venues, and opportunities.

Current and Future Capital Budget:

n/a

Risk Assessment

Consistent and meaningful engagement practices applied from the beginning of a project reduce the likelihood of 'do again' engagement, which impacts costs, timelines, and resourcing of engagement activities and the overall project. Once a project has been challenged on its engagement process / activities / outcomes, the ensuing erosion of trust is difficult to overcome and turn into positive acceptance of recommendations.

This approach will require the engagement team and other related communication areas to identify the Business Plan and Budget Coordination process as a high priority for resources particularly between December 13 and April 2014 which may impact engagement resources available for other municipal initiatives. To reduce the impact on resource availability, the budget request includes funding to resource 1.5 additional limited term positions. The preparation of this report early with the new City Council also enables time to strategically develop the program.

REASON(S) FOR RECOMMENDATION(S):

Stakeholders are requesting more comprehensive and inclusive opportunities to be involved in City decision-making. The business plan and budget process is a key directional document in the achievement of The City's long-term goals. Engaging stakeholders in this process is critical to successful strategy development.

The recommended Option C, a comprehensive engagement process, will result in multiple opportunities for all stakeholders to participate in the development of the 2015-2018 business plans, and solidify The City's direction towards achievement of long-term goals.

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ATTACHMENT(S)

BPBC4 Engagement Approach – Options & Cost Estimates