

**One Calgary Report to  
Strategic Meeting of Council  
2018 February 28**

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C2018-0224  
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## **Three Conversations, One Calgary: The City's Strategic Plan for 2019-2022**

### **EXECUTIVE SUMMARY**

Making life better every day for Calgarians is our common purpose. The City of Calgary delivers on this purpose by being a service and results-driven, accountable and resilient municipal government, placing citizens, customers and communities at the forefront of our plans, decisions and actions. The City of Calgary is currently delivering on the final year of Action Plan 2015-2018 and looking ahead to 2019-2022. Three Conversations, One Calgary: The City's Strategic Plan for 2019-2022 ('the Strategic Plan') will deliver on Council's direction through service plans and budgets that will be presented to Council in November. Ultimately, the work ahead is about better service delivery, demonstrating value for tax dollars, and contributing to quality of life. The journey to build the Strategic Plan and to deliver on it will involve the Calgary community, Council and Administration. This report provides an overview of the 'Three Conversations, One Calgary' framework, the journey to deliver the Strategic Plan, the list of City services and a prototype of the service plans and budgets document.

### **ADMINISTRATION RECOMMENDATION:**

1. That Council approve 'Three Conversations, One Calgary' as the framework that will guide the development of The City's Strategic Plan for 2019-2022.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

On 2005 January 31, Council approved the Multi-Year Business Planning and Budgeting Policy (CFO004). This policy was amended on 2008 January 14 and on 2012 April 9. The Policy outlines the approach to multi-year planning and budgeting that includes integration of plans and budgets and annual adjustments providing flexibility to respond to unforeseen circumstances and external factors.

On 2012 April 22, Council approved a modified four-year approach to business planning and budgeting (PFC2013-0338), to align to four-year election terms.

On 2014 September 15, Council approved the City Manager's Leadership Strategic Plan: Contract with Council (C2014-0703), which identified service plans and budgets as a key component of The City of Calgary's performance management system intended to support better delivery of services to communities, customers and Calgarians.

On 2014 November 24, Council approved *Action Plan* 2015-2018, as amended (C2014-0863). Since this time, the plans and budgets have been adjusted annually (C2015-0696, C2016-0863, C2017-1123) as part of the standard adjustments process outlined in CFO004 to allow for flexibility to respond to unforeseen circumstances and external factors.

On 2017 March 07 (PFC2017-0234) Council received for information a report on Organizational Efficiency – Intentional Management including progress on the Leadership Strategic Plan.

On 2017 April 25 (C2017-0375), Council received for information a report on Service-Based Plans and Budgets.

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On 2018 January 31 (C2018-0115), Council adopted the "Council Directives to Administration for 2019-2022 One Calgary Service Plans and Budgets". This included Council's Five Guidelines to Administration (Integrated Service Delivery, Engaged Leadership, Trust and Confidence, Investment and Value, and Corporate Alliances). Further, Council adopted a motion arising to direct Administration to bring forward amendments to the Council Priorities to include Indigenous Reconciliation Strategies and Watershed Management. C2018-0201 presents the amendments for Council's approval.

#### **BACKGROUND**

The City of Calgary is currently delivering on the final year of Action Plan 2015-2018. As Action Plan was being developed, Council identified where it was looking for organizational change. In response, the City Manager developed the Leadership Strategic Plan, approved by Council on 2014 September 15 (C2014-0703). It included five areas of focus: establish a cooperative and meaningful relationship with Council, cohesive leadership culture and collaborative workforce, better serve our citizens, communities and customers, focus immediate and collective attention on planning and building a great city, and strengthen the Corporation's financial position.

As shown in the Action Plan mid-year and year-end accountability reports, as well as in the 2016 Leadership Strategic Plan Progress Report (PFC2017-0234), a great deal of progress has been made since 2014. This includes the implementation of a performance management system with five components: service review and improvement, performance measurement and accountability, integrated risk management, individual performance development and service plans and budgets.

The Strategic Plan for 2019-2022 will build on the progress of the Leadership Strategic Plan by further embedding our 'One City, One Voice' corporate culture. The Strategic Plan will align the aspirations and expectations of the community with Council's direction to Administration. It will also align these aspirations, expectations and direction with service delivery through the service plans and budgets. This alignment will be demonstrated through a suite of documents that will be delivered to Council in November 2018.

#### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Making life better every day for Calgarians is our common purpose. The City of Calgary delivers on this purpose by being a service and results-driven, accountable and resilient municipal government, placing citizens, customers and communities at the forefront of our plans, decisions and actions. Fulfilling this purpose contributes to our vision: "Calgary: A Great Place to Make a Living, a Great Place to Make a Life". The City's Strategic Plan for 2019-2022 will advance our common purpose and vision. The work ahead is about continuing to advance service delivery, demonstrating value for tax dollars, and contributing to quality of life.

#### **'Three Conversations, One Calgary' Framework**

Attachment 1 provides a conceptual outline of the 'Three Conversations, One Calgary' framework that will guide the development of the Strategic Plan. This framework is based on The City's accountability model (shown below).

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### The City's Accountability Model



This model reflects three sets of relationships, conversations and results between:

1. Community and Council (Vision)
2. Council and Administration (Strategy)
3. Community and Administration (Value)

The Strategic Plan will align the aspirations and expectations of the community with Council's direction to Administration. Further it will align these aspirations, expectations and direction with service delivery through the service plans and budgets. This alignment will be demonstrated through a suite of connected documents that will be delivered to Council in November 2018.

This suite of documents, including the service-based plans and budgets, will address comments raised by Council as part of the Action Plan debrief conducted in February/March 2015. Specifically, the comments included that there was additional information in the binder that was redundant or repeated in various sections. Further, there were comments that it was hard to see how actions contributed to Council's Priorities.

Using a framework based on the three conversations of The City's accountability model establishes common language and alignment between roles, relationships and results. As such, the focus will be on delivering results to Calgarians through the delivery of services rather than on organizational structure. It will be easier to demonstrate the alignment of services to Council's Priorities, Council's Directives, and Council's Five Guidelines to Administration, and will better show levels of service and value for tax dollars. Further, it will be easier to demonstrate how services will be delivered in 2019-2022 to better serve citizens, communities and customers.

### The Journey to Deliver the Strategic Plan

The journey forward will involve the Calgary Community, Council and Administration as we work together to advance our shared vision through the Strategic Plan. Attachment 2 details this

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journey, which is about delivering better services to citizens, communities and customers in 2019-2022 and about contributing to quality of life.

Why "One Calgary"? The name was chosen because it is about working together as one for Calgary to ensure members of the community and customers experience The City's services as one. It focuses the organization on seamless service delivery rather than on organizational structure. To achieve this, three specific results have been identified:

1. The City's Strategic Plan for 2019-2022 is presented to Council in November 2018.
2. An integrated approach is taken to develop the Strategic Plan. This is in keeping with Council's guidelines for Administration and is reflective of a seamless approach to service delivery.
3. A service-based and results-based way of working is embedded going forward. As this result shows, the journey doesn't end in November 2018. It carries into 2019 and continues as the Strategic Plan is delivered in 2019-2022.

The journey in Attachment 2 demonstrates how these results will be achieved including a new collaborative and integrated approach to governance. Under the new governance, a service owner is assigned to each City service. These service owners will work together to deliver Council's direction by planning their service lines in an integrated way and proposing budgets to support the delivery of services. Collaboration is required to deliver on what is most important and place these interests ahead of those of any one department, business unit or service. The approach also recognizes that an organizational structure exists with accountabilities.

2019-2022 is the fifth multi-year business planning and budgeting cycle at The City of Calgary. There are many things about the One Calgary journey that are similar to previous planning and budgeting cycles. For example:

- Council's direction is the primary driver of the priorities and results.
- Plans and budgets will be integrated (meaning that the plans point the way to achieving the best result that is possible within budget limits).
- Public engagement is a key input.
- Performance measures and benchmarks are a key component.

There are also some new or evolved aspects to the One Calgary journey, including:

- A focus on services rather than organizational structure.
- Performance measures that are more outcome focused.
- A focus on integration within services and across services.
- Integration from a service perspective of operating and capital budgets.
- A stronger focus on evidence-based and data-based decision-making.

Public input is an important part of The City's planning and budgeting. It is important to understand the aspirations of the community and their expectations of local government. Further, it is important to understand the services the community values and why, as well as *what* they value about these services (i.e. value characteristics). Understanding the preferences of Calgarians will help The City determine how tax dollars will be invested over the next four

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years. As detailed in Attachment 2, there will be multiple opportunities for Calgarians and stakeholders to participate.

The journey in 2018 to develop service plans and budgets that will deliver on Council's direction for 2019-2022 is about demonstrating service value, better delivering services and shifting our culture to being more service-focused. Attachment 2 outlines key points when Council is asked to provide direction and to inform the process. At the March 21<sup>st</sup> Strategic Meeting of Council, a financial outlook, Capital Infrastructure Investment Strategy and capital update, and existing public research/input will be discussed with Council. The April 25<sup>th</sup> Strategic Meeting of Council will focus on long-term user fee tax support rates, indicative tax rates, and indicative rates for the Waste & Recycling, Wastewater Collection & Treatment, Water Treatment & Supply, and Stormwater Management services.

#### **The City's Services: Delivering Value through Service Plans and Budgets**

Calgarians expect value for tax dollars and this is demonstrated through the many services provided by The City of Calgary. Attachment 3 provides the list of City services provided to the community as well as a prototype of the service plan and budget pages included in the Strategic Plan. A plan and budget will be prepared for each service, outlining how Administration will deliver on Council's direction and contribute to quality of life over the next four years.

Services are what matter to citizens, not how The City is organized. The shift from department-based to service-based plans and budgets effectively means that we are changing the conversation from *who* does things and *how* they do them, to *what* we are delivering and *why*. With information presented in this form, the connection to the community and their needs is much greater, and there is a clearer opportunity for Council to make decisions about service levels and expectations, as well as service value and costs.

Some services cross organizational lines (e.g. Sidewalks & Pathways). This provides the opportunity for better service integration between organizational units, since they will share a common purpose and performance measures. Having dedicated plans and budgets along service lines will therefore enable better service delivery.

#### **Stakeholder Engagement, Research and Communication**

As previously noted, this is The City's fifth multi-year business planning and budgeting cycle. Lessons learned from previous cycles were considered as part of the work to develop the approach outlined in this report. 2019-2022 builds upon the work done previously and introduces enhancements such as a service-based approach.

Research and engagement on the approach to service plans and budgets was conducted and incorporated into the new method. For example:

- Several Canadian cities that have moved to a service-based approach were studied and interviewed to obtain lessons learned and key success factors.
- Extensive engagement across the organization was conducted to develop the service list and to test the methods that will be used to develop the plans and budgets.
- The Citizens' View Panel was used to obtain feedback on the service names and descriptions to reflect plain language.

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With respect to stakeholder engagement on content, the journey forward will draw heavily on existing citizen research and engagement to inform service priorities. Council's direct relationship with the community was the basis for establishing Council's direction, which is the primary driver for the content of plan and budgets. As outlined in Attachment 2, additional opportunities for public input are planned over the next nine months to inform the content of the proposed plans and budgets. These opportunities will be supported by robust, inclusive marketing and social media plans to ensure we reach as broad a demographic as possible.

Employees are a critical part of the journey forward. Change management and communications strategies and tactics will be used to ensure City employees are informed and engaged as the Strategic Plan is developed and delivered.

#### **Strategic Alignment**

As previously noted, the development of the Strategic Plan is one of the most significant pieces of work that The City undertakes as it advances our common purpose and helps to deliver on Calgary's vision for the future. The work aligns with Council policy and long-term planning and demonstrates where The City will focus over the next four years.

#### **Social, Environmental, Economic (External)**

Service Plans and Budgets are a tool that allows consideration of the social, environmental and economic environment during the business planning and budgeting process. The plans and budgets will be developed using a results-based performance framework, which includes information on how each City service contributes to quality of life results for Calgarians and their aspirations for the community.

#### **Financial Capacity**

##### ***Current and Future Operating Budget:***

The work to develop the Strategic Plan, including the planned approach for involving the public, can be accommodated within previously-approved budgets. Should a different approach for public engagement be directed by Council, additional funding may be required.

##### ***Current and Future Capital Budget:***

There are no capital budget impacts as a result of this report.

#### **Risk Assessment**

Integrated Risk Management is key component of The City's performance management system. As with previous business planning and budgeting cycles, consideration of risks is a key factor informing the development of plans and budgets. Given the city's current economic context, the Strategic Plan will need to consider risk in a different way, re-think assumptions, and place considerably more emphasis on weighing the costs as well as the benefits of risk mitigation strategies, to ensure that they provide good value. In other words, the organization may want to consider higher levels of tolerance for some types of risks, where the trade-offs between risk reduction and cost indicate that this is warranted. This mindset builds on recent developments in the organization, where a decision has been made to embrace or accept some risk to improve service value.

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More specifically, risks have been identified and are being monitored as part of the work to develop the Strategic Plan. These include:

- Council may require more time to consider tax rates for planning purposes (i.e. indicative tax rates). A target date of April 25 (at the Strategic Meeting of Council) has been established. This is one month earlier than what was achieved in the preparation of Action Plan, which should create improved alignment between Council's direction and the service plans and budgets. The extra time to prepare the plans and budgets will allow for increased collaboration and integration within services and across services. Further, to help mitigate this risk, the March 21 Strategic Meeting of Council will include information to set the foundation for Council's discussions in April, including a financial outlook.
- While a great deal of progress will have been made on the approach to service plans and budgets by November, not all possible enhancements will be incorporated. This is a risk in that stakeholders may expect more than can be delivered during this cycle. To manage this risk, there will be extensive communication with stakeholders on what the service plans and budgets will include and what they won't include by November 2018. For example, a prototype (see Attachment 3) has been included with this report to demonstrate what Council and the public can expect in November 2018. Further, change leadership and change management practices are embedded as a key component of the work.
- Given the changes being incorporated into this planning and budgeting cycle, tight timelines are a risk. As outlined above, the three results for this work include delivering the Strategic Plan to Council in November 2018 and doing it in an integrated and collaborative way, while also making headway to embed a service-based and results-based culture in the organization. To manage this risk, an integrated approach to delivering the Strategic Plan is being used that leverages expertise and resources from across the organization. Further, while as much progress will be made as possible on integrating from a service perspective, there may be elements that will need to be incorporated in 2019-2022 with enhancements being introduced as part of the annual adjustments process.

#### **REASON(S) FOR RECOMMENDATION(S):**

Consistent with Council Policy CFO004, 2019-2022 is The City's fifth business planning and budgeting cycle. Council is being asked to approve 'Three Conversations, One Calgary' as the framework that will guide the development of The City's Strategic Plan for 2019-2022. Council's Directives and Guidelines have been provided to Administration. Based on this, Administration will build the Strategic Plan, including service-based plans and budgets.

#### **ATTACHMENT(S)**

1. Attachment 1 – 'Three Conversations, One Calgary' Conceptual Framework
2. Attachment 2 – The Journey to Deliver The City's Strategic Plan for 2019-2022
3. Attachment 3 – Service Plans and Budgets: Final Services List and Prototype Plan & Budget Document