

Service Plans and Budgets: Final Services List and Prototype Plan & Budget Document

Introduction

On 2017 April 25, Administration brought a report to the Strategic Meeting of Council (C2017-0375) outlining the proposed transition to a “service-based” approach to business plans and budgets that is planned for the upcoming (2019-2022) business cycle. The move to service-based plans and budgets was part of a new Performance Management System for The City of Calgary, which in turn was a core element of the Leadership Strategic Plan, approved by Council on 2014 September 15 (C2014-0703).

Moving to a service-based and results-based approach is becoming a leading practice for many cities across Canada, including Toronto, London, Winnipeg and Burlington. The approach that The City of Calgary is adopting, while a made-in-Calgary solution, is leveraging the experiences of other cities that have already moved in this direction.

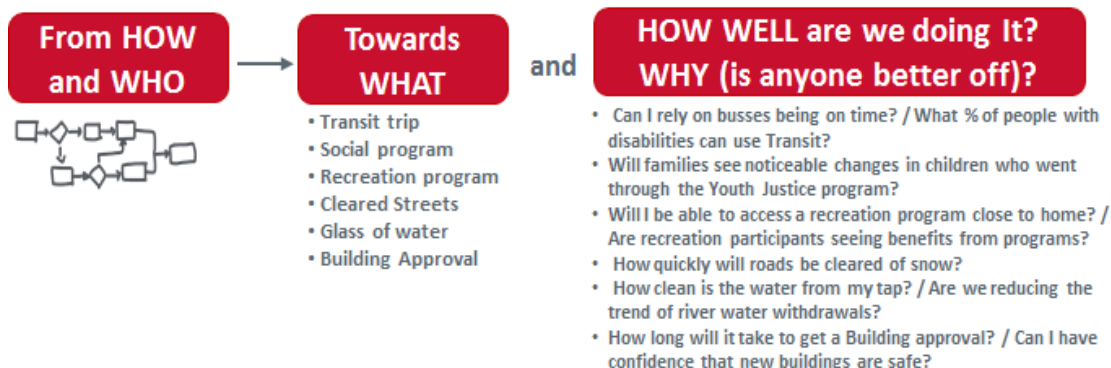
The April 2017 report described the reasons for the shift to a service-based approach, how it responds to Council’s previous direction to Administration, the benefits of the approach, and the larger context in which the change is taking place. During that discussion, Council members provided a number of comments, all of which have been taken into account by Administration in the work undertaken since last April.

Attachment 1 of this report describes The City’s overall strategic plan framework (“*Three Conversations, One Calgary: The City’s Strategic Plan for 2019-2022*”). Attachment 2 outlines the integrated and collaborative journey for developing the overall Strategic Plan. This attachment complements the others, focusing specifically on the third “conversation” – the service plans and budgets themselves – and reports on progress made with respect to:

- finalizing the list of City services, and
- developing a prototype showing the structure of the plan and budget document that will be presented to Council in November 2018.

Background: Benefits of Service-Based Approach

The April 2017 report described the benefits associated with moving to a service-based approach, and how it responds to Council’s imperatives. At the heart of the service-based approach is an intent to shift the conversation about services and budgets away from who provides services (e.g. what department or business unit) and how (e.g. processes), to what services are provided, why (to achieve what benefit) and how well (service value).



The table below shows how the shift to service-based plans and budgets directly addresses Council's Five Guidelines to Administration, as outlined on 2018 January 31 (C2018-0115).

Council Guideline	How Service-Based Plans and Budgets Respond
Integrated Service Delivery – <i>Council is consistent in its view that the Corporation needs to provide services in a much more coordinated and integrated way.</i>	Planning, budgeting and being accountable for service results brings together the organizational groups who are involved in delivering services, improves their collective understanding of service results and customer needs, and encourages better collaboration across the organization.
Engaged Leadership – <i>Council wants collaborative organizational leaders and managers that function together as a team.</i>	Focusing on what and why a service is provided, rather than who provides it and how, provides a clearer common purpose and a team focus for the organization's leaders, managers and employees.
Trust and Confidence – <i>Council is asking for an organization that is reliable, honest, effective and has Council's confidence and trust.</i>	A service-based approach provides greater transparency and better information to Council, which is a basis for trust. Service plans and budgets will show how services contribute to quality of life and to Council's Priorities, the tradeoffs between service cost and service levels, including the impacts of changing one or the other, and how City services compare with other organizations.
Investment and Value – <i>Council expects a sustainable financial plan from Administration that is responsive and creates value.</i>	By combining related functions in a single service plan and budget, and including information on service costs in relation to benefits, the service-based approach will provide clearer information on service value and will equip Council with better information for making decisions on service level investment.
Cooperative Alliances – <i>Council endorses strategically important relationships that promote community and city building.</i>	Focusing on what services are provided, for whom, and whether users of the service are better off as a result, strengthens the relationship between The City and Calgarians, helps to increase Administration's focus on citizen's, residents' and customers' needs.

Finalized Services List

The April 2017 report to Council included a list of City services. It was developed based on extensive consultation among service providers within Administration, research from other cities that have moved to a service-based approach, and with input from the Citizen Panel on service names and descriptions. Since then, service owners have been identified and they have begun the process of developing "baseline" descriptive information about each service, as well as understanding the current state and emerging issues related to each service.

As a result of this preliminary work, service owners have identified several cases where amendments to the original service list would better achieve the desired results. These changes achieve greater clarity, simplicity and citizen focus by ensuring that services are defined from an “outside-looking in” perspective, and focus on outputs and outcomes, rather than processes. In particular, several services that previously focused more on process (“how”) than on customers and deliverables (“what”) have been realigned.

Page 6 of this attachment shows the final services list. It is a mutually exclusive and collectively exhaustive catalogue of the 62 services that The City provides, which will be the basis for the plans and budgets brought to Council for approval.

The services list balances the need to keep related functions together with the need to provide sufficient granularity as the basis for decision-making. No single service grouping can completely address all diverse and competing needs. For example, combining services into a smaller number would keep more related functions together, but would result in less clarity about each service’s customers, product and purpose. Separating the services into a larger number would provide more detailed information, but would also separate functions that are closely related. Regardless of how the service list is defined, there will continue to be many instances where service owners need to collaborate across service lines in order to best serve Calgarians.

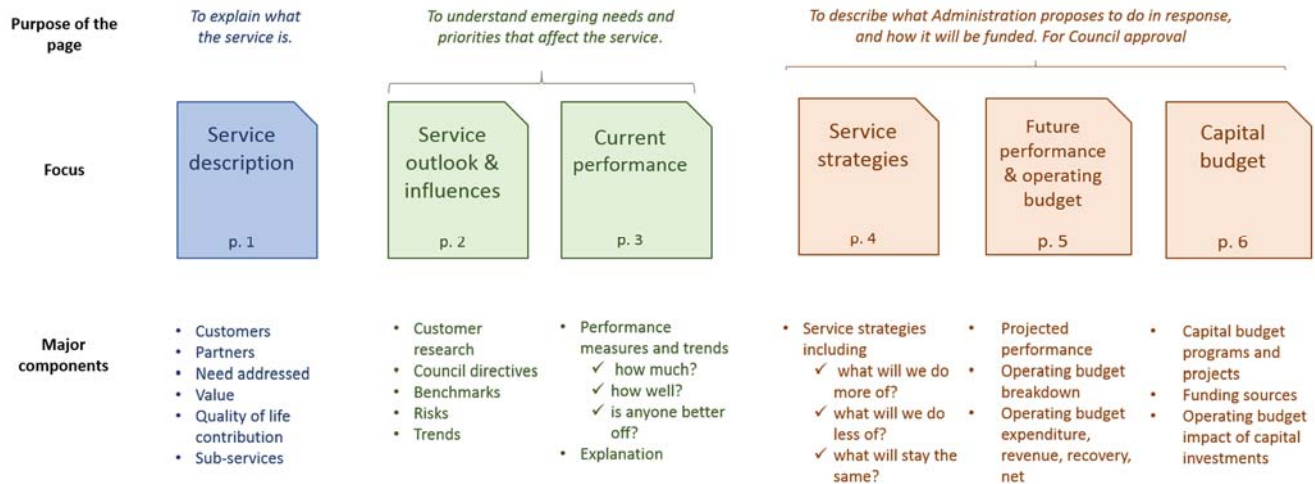
To ensure simplicity of the November report and presentation on service plans and budgets, the 62 services will be grouped in some way, most likely around the five Council Priorities (while still recognizing that each service contributes to more than one Priority).

The 2019-2022 cycle is the first time that The City will take a service-based approach to plans and budgets. As we learn from this experience, further changes may be made to the services portfolio and potentially incorporated through Adjustments (within the 2019-2022 cycle) or in future cycles. One specific issue previously identified by Council members is the question of full-costing, including potentially incorporating the costs of internal support services into external services. As noted in the April 2017 report, for the 2019-2022 cycle, Administration will continue to present support service plans and budgets separately. After approval of the 2019-2022 plans and budgets, Administration will investigate options for taking the next steps into full-costing.

Service Plans and Budgets Prototype

The One Calgary report that will be provided to Council in November 2018 will include a full suite of documents that will align with the Framework outlined in Attachment 1. The Service Plans and Budgets document addresses the “value” conversation on the right side of the diagram (Attachment 1, pages 1 and 4). The business plan and budget report to Council in November report is likely to include some context and summary information at the front and back and, as in the last cycle, additional and more detailed information will be available online. The majority of the pages will comprise the plans and budgets for each of the 62 services identified on the service list.

Changes associated with the shift to a service-based approach will be embedded in the service pages of the November document and, for this reason, Administration has put considerable effort into designing these pages in a way that will achieve the intended benefits and meet Council’s needs. The diagram below provides an overview of the services pages, with the full prototype provided at the end of this attachment (pages 7-12).



The service pages have been designed with the following key points in mind:

- The overall flow within the 6 pages for each service follows a logical progression, from describing the service (page 1) to assessing its current performance, outlook and how it may need to adapt to emerging influences (pages 2-3) to proposing strategies and performance results that respond to the emerging needs and priorities, along with budgets to support them (pages 4-6).
- The structure has been designed to keep all relevant information about each service (strategies, results, measures, budgets) close together to better inform Council's decisions. In particular, information that is interdependent (e.g. service strategies, performance and the associated budgets to support them) are kept side-by-side or on facing pages. This physical proximity of information is a key to keeping plans and budgets integrated, and to supporting Council's decision-making by linking the impact of service changes to budget changes.
- The document has been simplified significantly, removing much of the duplication that existed in previous plans and budgets. Much of the previous duplication was a direct result of the department based structure, where the same information was repeated at the department, business unit and sub-service levels, and in some cases across multiple departments and business units.
- The new document has, however, maintained key components of previous plans and budgets, such as inclusion of current and future performance results, integration of plans and budgets, link to Council Priorities and benchmarking information.
- The pages add some new elements:
 - ✓ Services pages will reflect contribution to the quality of life for the community that we serve.
 - ✓ Information on service value (the relationship between service cost and the benefits or results achieved) will be provided.
 - ✓ Each service will include information on service level options and the related budget impact.

The decision to bring an early document prototype to Council for review was deliberate, reflecting Administration's move to build a relationship of greater transparency, trust and confidence with Council and to solicit Council's participation in the design of the new approach. The prototype is still in rough form and further changes will be incorporated over the next few weeks in preparation for focusing on development of service plans and budgets that will deliver on Council's direction.

Next Steps

Service owners are already working on preparation of their plans and budgets. The receipt of Council's Direction on 2018 January 31 (C2018-0115) has provided guidance and direction to Administration to inform the development of plans and budgets. This is supplemented by existing citizen research, information on service trends, and review of existing performance measures and benchmarks. The organization's risk registers were updated late in 2017 and will be refreshed in the first half of 2018. With the completion of the new citizen research and engagement for One Calgary, scheduled for March/April, the last major piece of information about emerging needs and priorities will be in place. While it will always be necessary to be ready to adapt and respond to new emerging issues, Administration is now well on its way to having the information needed to develop proposed plans and budgets for the next four years.

Administration will continue to refine the document structure over the next few weeks, as additional feedback is received. The goal is to finalize the structure in mid-March so that the focus of work can fully shift to developing the content of the service plans and budgets.

2019-2022 Services List

- | | |
|---|--|
| <ul style="list-style-type: none"> • Affordable Housing • Appeals & Tribunals • Arts & Culture • Building Approvals • Business Licensing • Bylaw Education & Compliance • Calgary 9-1-1 • Corporate Citizen Engagement • Corporate Citizen Relationship Management • Corporate Research & Insights • City Auditor's Office • City Cemeteries • City Planning & Policy • Departmental Communications Consulting • Community Strategies • Corporate Governance • Corporate Security • Council & Committee Support • Data Analytics & Information Access • Development Approvals • Economic Development & Tourism • Emergency Management & Business Continuity • Environmental Management • Executive Leadership • Facility Management • Financial Support • Fire & Emergency Response • Fire Inspection & Enforcement • Fire Safety Education • Fleet Management • Human Resources Support | <ul style="list-style-type: none"> • Infrastructure Support • Insurance & Claims • IT Solutions & Support • Land Development & Sales • Legal Counsel & Advocacy • Library Services • Mayor & Council • Municipal Elections • Neighbourhood Supports • Organizational Health, Safety & Wellness • Parking • Parks & Open Spaces • Pet Ownership & Licensing • * Police Services • Procurement & Warehousing • Property Assessment • Public Transit • Real Estate • Records Management, Access & Privacy • Recreation Opportunities • Sidewalks & Pathways • Social Programs • Specialized Transit • Stormwater Management • Streets • Taxation • Taxi, Limousine & Vehicles-for-Hire • Urban Forestry • Waste & Recycling • Wastewater Collection & Treatment • Water Treatment & Supply |
|---|--|

* The Calgary Police Commission is a statutory body created under the Alberta Police Act to oversee the Calgary Police Service.

Insert Picture

Service Name

Description:

A brief description of the service.

Customers:

A brief description of customers who directly and indirectly benefit from the delivery of the service.

Output(s):

The final product(s) of the service delivered to the customer.

Partners:

Key partners who work with The City to provide the service.

Service Need (Value Proposition):

The customer expectations or needs that are met directly or indirectly by the service. It explains why the service is provided to satisfy specific customer needs and also how it contributes to community needs. It is also a summary of how the service adds value to customers through value characteristics, cost and how the service compares to alternatives. Ultimately, why the City provides the service rather than others and why customers use the service.

Current State Service Value

X%	X%	XX	XX	\$XXX.XM 2018 Operating Budget	\$X.XX 2018 Service Cost Ratio
Service Level / Performance Measure	Level of customer satisfaction	# of customers served	Key highlight	Funding Breakdown: X% Tax Support X% User Fees, Sales, Fines, Other X% Internal Recoveries	
				Key Capital Investments Key projects, programs & assets	

What the service is made up of

Listing of what the service is made up of and 2018 Operating budgets.

Connection to Quality of Life Outcomes / Citizen Expectations

How this service contributes to Q of L results (possibly even indicators)
 How this service contributes to Citizen Expectations (e.g. for Internal services – Well Run City) and Corporate measures

What we've heard and service outlook

WHAT WE HEARD: Customer & Citizen Research & Engagement Results

Can be quotes, can be specific % of respondents to questions, based on perspectives of the service and service value

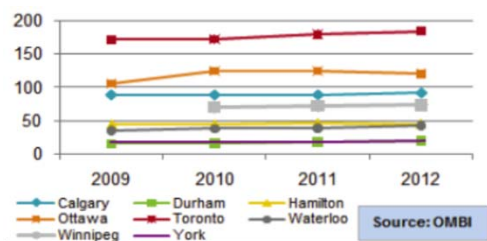
WHAT COUNCIL HAS DIRECTED: Council's Directives related to the service

Outline which Council's directives relate to the service

WHAT ARE WE WATCHING & RISKS

A brief list of the trends that may impact service delivery, new regulations, legislation etc. that may disrupt the service, change the way we think about delivering the service. This section also includes key risks.

BENCHMARKING

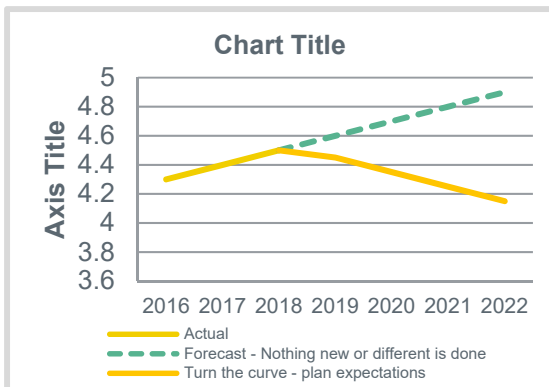
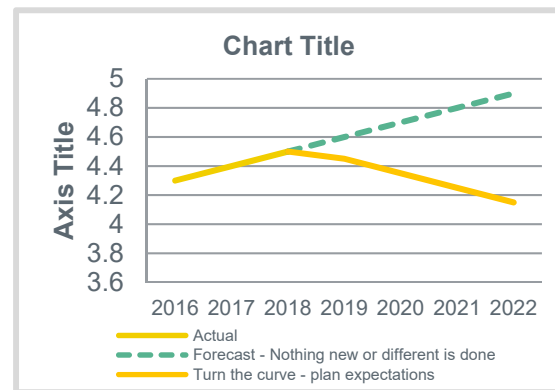
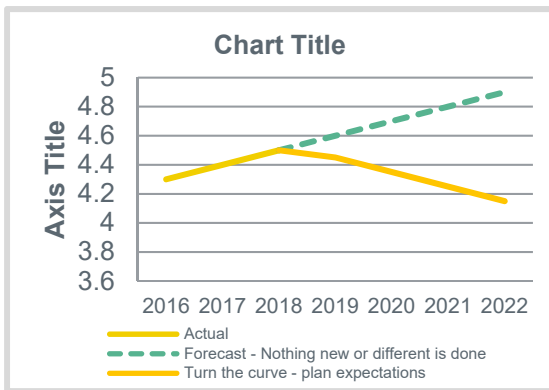
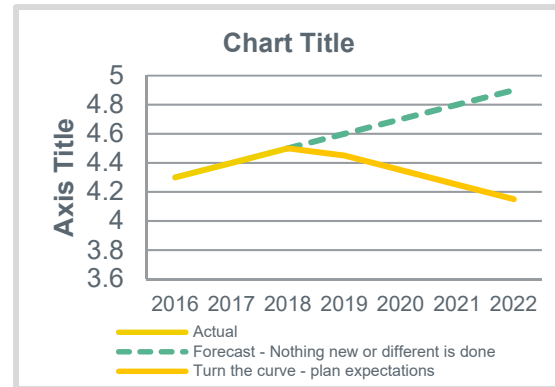
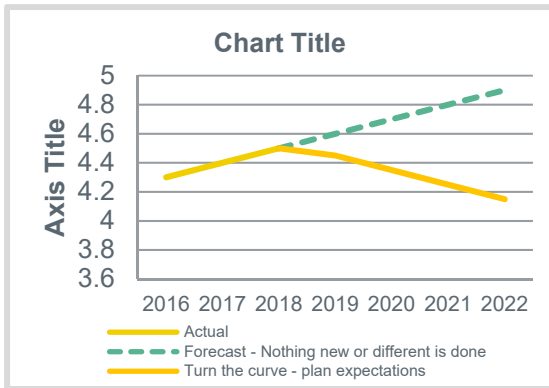


How the City is performing on key service characteristics in comparison to others.

WHAT MATTERS TO CALGARIANS

Value Dimension	Description
Reliability	Description of what Reliability means to this service
Timeliness	
Safety	

How is the Service performing, where we are headed and where we want to go



Story Behind the Numbers

Narrative behind the numbers. Why are the numbers the way they are? Why is the forecast as stated? Why do we want to turn the curve?

What do we propose to do

WHAT WE PROPOSE TO CONTINUE DOING

STRATEGY

Why?

A quick narrative based on Trends, Engagement, Alternative Comparison, Zero Based review recommendations etc.

WHAT WE PROPOSE TO DO LESS OF

STRATEGY	CHANGE PKG #

Why?

A quick narrative based on Trends, Engagement, Alternative Comparison, Zero Based review recommendations etc.


WHAT WE PROPOSE TO DO MORE OF OR INCLUDE AS A NEW OFFERING

STRATEGY	CHANGE PKG #

Why?

A quick narrative based on Trends, Technology shifts Engagement, Alternative Comparison. This could also include testing new trends, pilot projects etc.

What Operating Budget do we need to achieve these results and strategies?

Service Performance Results for 2019-2022	Current	2019 - 2022
Performance Measure 1		
Performance Measure 2		xx

BREAKDOWN OF NET OPERATING BUDGET

	2019	2020	2021	2022
Previous Year's budget				
Less Previous Year One Time				
Base				
Inflation				
Operating Impact of Previously Approved Capital				
Operating impact of new Capital (Incremental)				
Realignments				
One Time				
Sub-Total				
Service Change Recommendations				
CR Additions				
CR Reductions				
Total Budget				

For more information, click [here](#)

Total Operating Budget (\$000s) for Approval													
	2018 Budget	2019			2020			2021			2022		
	At March 31	Base	One Time	Total	Base	One Time	Total	Base	One Time	Total	Base	One Time	Total
Expenditures													
Recoveries													
Revenue													
Net													

Recommended Capital Investment to Support Service Delivery

Capital Budget for Council Approval

Activity	Description	2019 Request (\$000's)	2020 Request (\$000's)	2021 Request (\$000's)	2022 Request (\$000's)	2023+ Request (\$000's)	Total Request (\$000's)
Annual Investment Program(s)							
Activity 1							
Project(s)							
Activity 2	Project (A)						
Program(s)							
Activity 3							
Sub-Total (New Budget Requests)							
Previously Approved Budget Remaining							
Total Capital Investment							

For project dependencies identify dependency with a corresponding endnote reference. Refer to supplemental section for additional information.

Explanation of Capital Budget Requests

Annual Investment Program(s)

Activity 1 – Budget Name

- Description (including funding), potentially adding link to business case:
- Operating Impact of Capital (for info, on operating):
- Funding source allocated

Project(s)

Activity 2 – Budget Name

- Description (including funding), potentially adding link to business case:
- Operating Impact of Capital (for info, on operating):
- Funding source allocated

Program(s)

Activity 3 – Budget Name

- Description (including funding), potentially adding link to business case:
- Operating Impact of Capital (for info, on operating):
- Funding source allocated

Notes:

- To identify the dependencies between multi-service requests