

**One Calgary Report to
Priorities and Finance Committee
2017 April 10**

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PFC2018-0445
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The City's Strategic Plan Principles

EXECUTIVE SUMMARY

One Calgary Service Plans and Budgets 2019-2022 will deliver on Council's direction throughout the next business cycle. The City's framework for the development of its Strategic Plan "Three Conversations, One Calgary" guides Administration to align its service delivery to intentionally create value for citizens. The resulting service plans and budgets will be presented to Council in November 2018.

Today's report introduces five over-arching principles for this work. In accordance with The City's service promise "what matters to you matters to us" creating and maintaining value for Calgarians, the first three principles focus on creating value through the development of the service plans and budgets. The fourth speaks to accountability through the continual monitoring, review and reporting and the fifth on continuous improvement. The focus on creating value for citizens is essential to The City's ongoing transformation to a modern municipal government that has citizens' hopes and aspirations at its core.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council approve the five Strategic Plan Principles outlined in Attachment 1.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 APRIL 10:

That the Administration Recommendation contained in Report PFC2018-0445 be approved.

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.

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 2017 April 25, (C2017-0375), Council received for information, the methodology for Service Plans and Budgets and a list of City Services.

On 2018 January 31 (C2018-0115), Council adopted the "Council Directives to Administration for 2019-2022 One Calgary Service Plans and Budgets". Further, Council adopted a motion arising to direct Administration to return with two amendments to the Council Priorities.

On 2018 February 28, Council adopted the additional amendments to the "2019-2022 Council Directives for One Calgary" (C2018-0201); and approved "Three Conversations, One Calgary" as the framework that will guide the development of The City's Strategic Plan for 2019-2022 (C2018-0224).

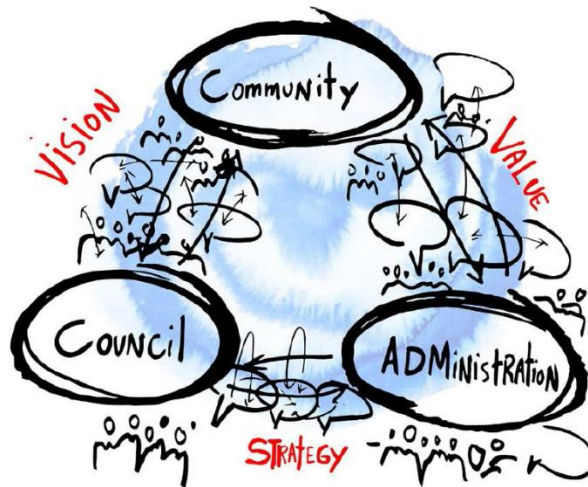
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On 2018 March 21, Council approved Principles for Setting Indicative Tax Rates and Capital Infrastructure Investment Principles; and passed a motion arising directing the Administration to return to the 2018 April 10 Priorities and Finance Committee with updated Principles reflecting elements of value and clearly defined corporate leadership outcomes and performance measures (C2018-0304).

BACKGROUND

On 2018 February 28, City Manager, Jeff Fielding presented 'Three Conversations, One Calgary' as the framework to guide the development of The City's Strategic Plan for 2019-2022 ('the Strategic Plan') including service plans and budgets. As shown in the conceptual drawing of that framework below, there are three sets of roles, relationships, and results.



Creating and maintaining the value citizens experience in exchange for financial investment into The City's services (relationship between Administration and the Calgary community) is the driving force behind the development of the 2019-2022 service plans and budgets. The resources available for the delivery of this investment in services will determine the progress towards meeting citizens hopes, dreams and aspirations (relationship between City Council and the community). The strategy for how The City intends to invest in its services to create value for citizens and meet citizen aspirations will be outlined in the 2019-2022 Service Lines and Budgets and will be approved by Council in November 2018 (relationship between Administration and Council).

With Council's direction for 2019-2022, and the "3 Conversations One Calgary" framework to guide Administration's response approved on 2018 February 28 (C2019-0201, C2018-0224), key components of the conversation between Council and Administration have been determined.

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On 2018 March 21, the One Calgary Program presented the results of the Preliminary Resilience Assessment (as part of the City's commitment to being a member of the 100 Resilient Cities funded by the Rockefeller Foundation). The outlined discovery areas provided a framework for a financial update to Council and the presentation of The City's Infrastructure Investment Principles and ongoing work on its climate change program. Council approved the Capital Investment and Indicative Rate Principles to guide the development of these aspects of the 2019-2022 Service Plans and Budgets.

The conversation with Council on 2018 March 21 resulted in a discussion and subsequent motion arising (as noted above) to integrate principles reflecting elements of value, and defined corporate leadership outcomes and performance measures as important to address in the development of the 2019-2022 service plans and budgets.

To respond to this request, Administration identified an opportunity to create a set of overarching principles for One Calgary and illustrate how these principles relate to the "3 Conversations, One Calgary" framework. Once approved, these principles will be applied throughout the development of The City's Strategic Plan and the 2019-2022 Service Plans and Budgets.

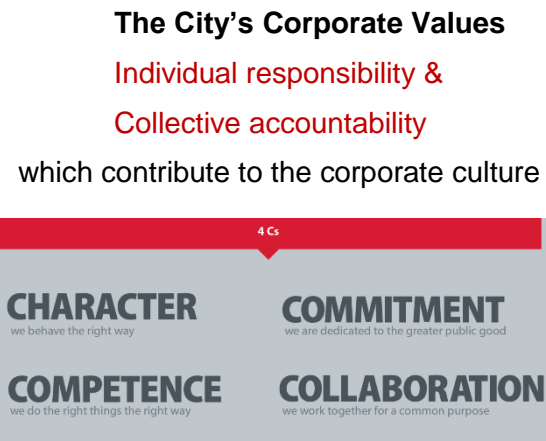
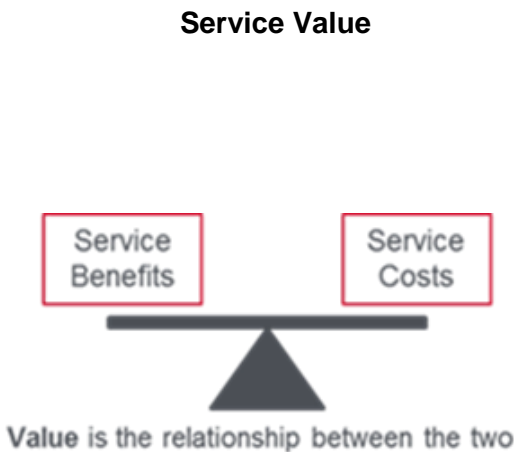
One Calgary will next present at the Strategic Meeting of Council on 2018 April 25 to consider the indicative tax rate, long-term tax support rates for user fees, and utility rates. The setting of these rates is essential for Administration to understand the framework within which it will be able to invest, create and maintain service quality, and deliver services to citizens.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Since the adoption of the Leadership Strategic Plan in 2014 September, The City has been on a continuous journey to transform how it delivers services to citizens and become a modern municipal government. As Administration moves along this journey, opportunities are being identified to better integrate our services across the organization and improve the way we work. The conversation with Council on 2018 March 21 is example of a time where new insights led to the identification of an opportunity to create a set of common over-arching principles that focus on how best The City can create and maintain services that resonate with citizens.

Better understanding what citizens '*perceive as having value*' from the services, weighed against the cost of receiving them, better enables us to focus efforts and resources to the things that matter most. Each element of value (such as reliability or timeliness) is considered a *value dimension*. This contrasts with *Corporate Values*, which are the values of the organization and how we work. For The City of Calgary, we have the 4 Cs (Character, Competence, Commitment and Collaboration). These, combined with Council's Five Guidelines to the Administration (Integrated Service Delivery, Engaged Leadership, Trust and Confidence, Investment and Value and Cooperative Alliances) form our Corporate Culture and way of working.

Service Value is Different from Organizational Values



The focus of this report is on developing principles that will help the organization to develop, monitor, and continuously improve the *value dimensions* that are most important to citizens. Five principles are proposed. The first three focus on the Three Conversations Model and using *value dimensions* in the development of the service plans and budgets. The fourth speaks to accountability through the continual monitoring, review and reporting on these and the fifth on continuous improvement. The principles are listed in the left-hand column of Attachment 1 and are recommended for approval. In the right-hand column, key value dimensions, factors and examples of how the principle is being applied are listed.

Attachment 2 Demonstrating Value Through Service Plans and Budgets describes how customer *value dimensions* have been integrated into the service plans and budgets to date. These dimensions are a new and important part of our transformation to a citizen focus and will play an instrumental role in the development of the service plans and budgets including their use in describing the service, in performance measurement, benchmarking, and in strategy development.

Council also identified the importance of clearly defining corporate leadership outcomes and measures. The fourth principle addresses this area in the overall context of ensuring accountability. In addition, Executive Leadership has been identified as an internal service for this cycle and will therefore, also have strategies, performance measures and budgets prepared as part of its service plan and budget that will be presented in November. This service was identified as a service through the service portfolio project and was presented to Council as one of the services in the list of services on 2017 April 25 (C2017-0375).

The recently approved Indicative Tax Rate and Capital Infrastructure Investment Principles (C2018-0304), are consistent with these over-arching principles and values. In fact, they provide direction to Administration in how it connects the vision (left side of the triangle) with service delivery (right side) on specific decisions.

Stakeholder Engagement, Research and Communication

Under the One Calgary program, there is a comprehensive plan for ensuring public and stakeholder input is sought and incorporated at multiple points as the 2019-2022 service plans and budgets are developed. The internal and external engagement that is currently taking place includes questions directly related to services and which value dimensions matter most.

Strategic Alignment

The development of Three Conversations, One Calgary: The City's Strategic Plan for 2019-2022, including service plans and budgets, 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. The principles proposed will help to guide this work.

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. This includes information on how each City service contributes to quality of life for Calgarians and their aspirations for the community. Applying a resilience lens and integrating qualities of a resilient city (reflective, resourceful, redundant, robust, flexible, inclusive, integrated) into our service plans and budgets will contribute to our City's ability to withstand stresses and shocks and contribute to the community's quality of life results.

Financial Capacity

Current and Future Operating Budget:

Having approved principles for The City's Strategic Plan will help guide the development of the 2019-2022 service plans and budgets.

Current and Future Capital Budget:

Having approved principles for The City's Strategic Plan will help guide the development of the 2019-2022 service plans and budgets.

Risk Assessment

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, risk will need to be considered in a different way, including re-thinking assumptions, and placing considerably more emphasis on weighing the costs as well as the benefits of risk mitigation strategies, to ensure that they provide good value.

The change to service plans and budgets transforms how The City develops its plans and budgets. A risk in such a large-scale change is that it can sometimes be difficult to navigate what the change is and how best to deliver the results that are sought. The five principles outlined in this report help to address this risk by providing guidance and adding structure to the development of City's Strategic Plan (2019-2022).

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REASON(S) FOR RECOMMENDATION(S):

Providing Strategic Plan Principles that aim to create and maintain value provide additional guidance to the Administration to ensure One Calgary develops service plans and budgets that align to the three conversations model and that it incorporates the things that are valued most by Calgarians throughout the service plan and budget cycle.

ATTACHMENT(S)

1. Attachment 1 – Strategic Plan Principles
2. Attachment 2 – Demonstrating Value Through Service Plans and Budgets