

Chief Financial Officer's Report to  
Priorities and Finance Committee  
2019 April 02

ISC: UNRESTRICTED  
PFC2019-0160

## Policy Review Project

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### EXECUTIVE SUMMARY

The Policy Review Project is intended to improve customer experience, make City of Calgary operations more efficient and develop a method that can be applied to other areas, supporting Administration's future efforts in the pursuit of these benefits in-house. This report outlines the proposed scope and method that will be used for this review to improve value of City services by identifying and resolving policy (or other) issues that act as barriers to outcomes for citizens and customers.

To achieve these goals, it is necessary to first understand citizen and customer perceptions of service delivery, where dissatisfaction exists and determine why. Specific focus will be paid to the connections between customer experience and policy(s) to examine where these impede positive citizen/customer outcomes. This approach will help identify potential high-value topics for review and evaluate which policies are best addressed.

The Zero-Based Review (ZBR) program has a reliable and proven method that can be adapted to achieve the Policy Review Project objectives. A ZBR comprises five stages, with the true 'review' portion covering the first three: 'Understand', 'Discover' and 'Develop'. **Understand** customers and what they value. **Discover** how value to customer can be improved. **Develop** detailed business cases for the most promising opportunities. This report explains how a similar three stages will be undertaken for the Policy Review Project. As for a ZBR, Administration will implement the 'Understand' phase using internal resources, taking the time to collect data and explore opportunities to set the stage for the 'Discover' and 'Develop' phases. In addition to identifying subject matter, 'Understand' will also clearly define the role of an external consultant to ensure the best use of that resource later in the project.

The project will conclude 2020 June when a report will be presented to the Priorities and Finance Committee describing the policy and other barriers that were identified and solutions to improve customer experience. The project will also consider the case for a future program and its application to policies and service lines in a more encompassing manner after this project concludes.

#### **ADMINISTRATION RECOMMENDATION:**

That the Priorities and Finance Committee recommend that Council:

1. Receive this report for information.

#### **RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2019 APRIL 02:**

That the Administration Recommendation contained in Report PFC2019-0160 be adopted.

### PREVIOUS COUNCIL DIRECTION / POLICY

In 2011 March (PAC2011-06), Council adopted Terms of Reference for the Council Innovation Fund (CIF). These outlined criteria that would guide Council on withdrawals and outlined eligible projects contributing to Council's goals with potential City-wide application, are innovative and propose a new or different way of doing The City's work.

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On 2018 November 6, Councillor Demong presented an application to the CIF requesting a withdrawal of \$525,000 to fund the Policy Review pilot project (PFC2018-1300). The goal is to fund a pilot project to review policies to ensure they enhance process and outcomes for customers.

### **BACKGROUND**

The Policy Review Project presents an opportunity to improve customer/citizen experience and make City of Calgary operations more efficient. By identifying barriers to service delivery, the project will examine challenges, trace these back to initiating policy, determine where impediments exist and consider how these might be addressed. With 61 services provided by The City of Calgary, early focus is on selecting appropriate subject matter with a clear problem related to policy and where citizens and customers would benefit through service enhancement.

The project will utilize a proven continuous improvement methodology as the foundation upon which to approach this work. The ZBR program helps The City balance changing citizen needs and priorities with the resources available. Well suited to guide this policy review, the ZBR program exists to:

1. Increase the value Calgarians get from their tax dollars by improving the efficiency, effectiveness and sustainability of services; and
2. Build the organization's capacity for continuous service improvement.

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

The Policy Review Project will adapt the ZBR methodology as the project looks to encompass both service efficiency improvements and policy evaluation. Initial stages of this approach focus on stakeholder engagement and identifying potential data points. To date, every department has been engaged and an inventory of several policy-related initiatives has been created. Across the organization consideration is being given to the role of policy in guiding service through the 2019-2022 business cycle. Where projects are aligned, teams have established regular touch-points to ensure complementary efforts take place. At this early stage, it appears work on the Administration Policy Library, Climate Resilience Strategy, Council Policy Program and Social Wellbeing Policy represent similar but distinct efforts in the consideration of policy influence on service delivery. Data on customer perception will be explored through 3-1-1, Customer Service & Communications' research library, Analytics Calgary and citizen/business engagement activities. Additionally, external sources of data will be explored through the Chamber of Commerce, Calgary Economic Development, the business community and other potential groups.

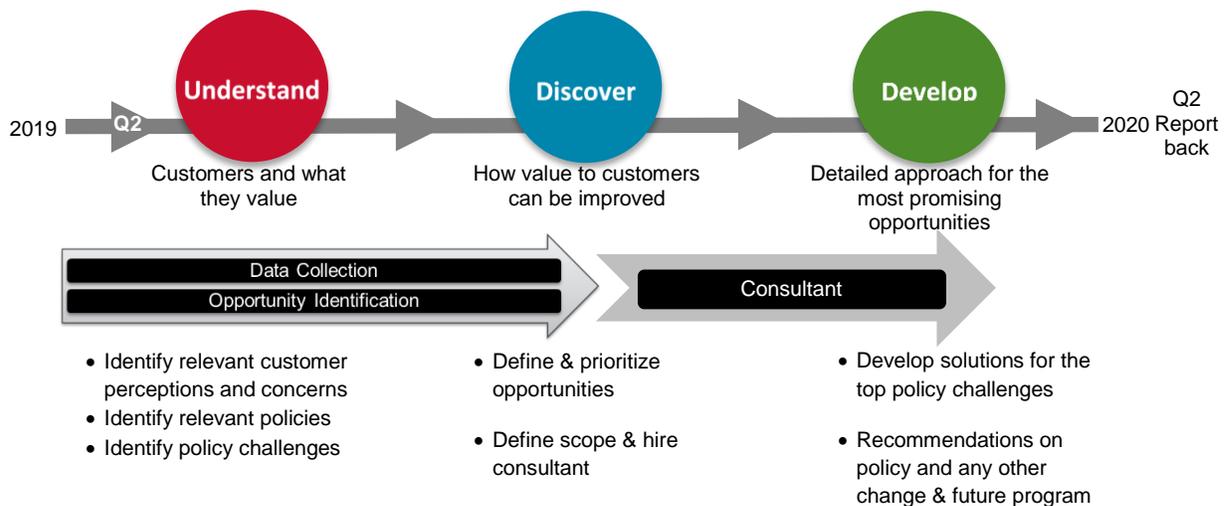
To understand the existing policy landscape, a review of The City's Council and Administration policy libraries has taken place. According to information available online, there are 130 Council and 99 Administration policies but this count does not include issues of overlap or documents referenced within these as additional 'policies'. This suggests a potential challenge facing the project through the inconsistent use of language related to documents directing/articulating the parameters for service delivery. Policy is sometimes used synonymously with terms such as 'plans', 'strategy', 'bylaw', 'procedures' which carry different guiding, authoritative and legislative weight.

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In terms of next steps, the Policy Review Project will continue to canvas the organization for relevant and complementary projects to ensure efforts are aligned appropriately and all potential sources of data are identified. Data collection and stakeholder engagement will continue over the next several weeks to help reveal customer/citizen perceptions. Once complete, the 'Understand' stage will provide a more robust view of challenges and opportunities facing the project. This work will uncover service delivery problems, potential root causes and help identify potential high-value review subject matter for the next stage of the process (Discover). In the coming months the project scope will be further refined and the precise role of an external consultant will be articulated – anticipated onboarding Fall 2019.

The ZBR uses a five-step process. Between now and the proposed end date of 2020 June, the effort will reside within the first three: 'Understand'; 'Discover'; and 'Develop'. Figure 1 outlines the phases and overall approach adapted to this project.

**Figure 1: Policy Review Project Approach**



## Stakeholder Engagement, Research and Communication

Stakeholder engagement and research is a critical part of the method and will help identify opportunities for later stages of the project. Citizen and customer perceptions offer insight into The City's performance and identify where service delivery is not meeting expectations. Customers will be directly engaged to collect their opinions of service delivery; an in-depth review of existing customer data will take place; and groups who have understanding of customer frustrations will be engaged to develop a robust view of relevant perceptions.

As noted earlier, several City initiatives are underway conducting parallel policy reviews with different intended outcomes. Corporate Initiatives will align work of the Policy Review Project as appropriate, ensuring efforts are coordinated and collaborative. As part of the project, ongoing communications and engagement will ensure efficient and effective use of resources by the

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various teams and overlapping stakeholders. A Steering Committee will also be struck to help with project governance, connections across the organization and decision-making.

### **Strategic Alignment**

The Policy Review Project supports several of the Citizen Priorities articulated in One Calgary and is best aligned to *A Prosperous City*; *A Healthy and Green City*; and *A Well-Run City*. The project will reflect these priorities by emphasizing:

- customer experience to ensure City policies allow businesses and Calgarians to prosper;
- alignment with the City's Climate Resilience Strategy; and
- policy improvements that are customer-oriented and modernized where required.

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

This project provides an opportunity to evaluate policy from a service-based perspective using the lens of the citizen/customer. If successful, the organization can improve service delivery for the benefit of the community through implementation of a framework for a wider future program. This would ensure existing policy is evaluated, and future policy crafted, from an integrated, customer-focused view to support a balance between costs and service value added. This project therefore supports the achievement of a wide range of social, environmental and economic goals.

### **Financial Capacity**

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

There are no implications on the operating budget as a result of this report.

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

There are no implications on the capital budget as a result of this report.

### **Risk Assessment**

Preliminary work has surfaced three main risks facing the project:

- Cost risk – escalation of project costs and scope creep. Early engagement with stakeholders suggest appropriate consultant expertise might be difficult to procure. A small pool of consultants with relevant experience may charge higher fees and negatively impact budgets. Due to the small talent pool, the project may be required to procure a consultant without the specific required skills which could lead to scope creep.
- Schedule risk – activities may take longer than expected. As above, the available pool of experienced consultants may impact timely procurement and project budget. Also, the subject matter may not lend itself to ease of analysis due to the complex relationship amongst policy, service delivery and the resulting customer/ citizen experience.
- Performance risk – failure to produce results consistent with project specifications. The project may face obstacles due to a gap between policy intention and its implementation. It may be that policies are drafted in a manner inconsistent with a customer-centric view. However, there are a variety of non-policy elements (i.e., bylaws, procedures, front-line

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training, etc.) that may have greater influence on the customer/citizen experience. If that is the case, the number of variables to be addressed may negatively impact achieving the desired results.

Early risk-management strategies have been identified and more robust mitigation efforts will be articulated in the next phases of project implementation.

By not undertaking this project, however, The City of Calgary would risk missing an opportunity to examine where and how citizen/customer expectations are not being met. Regular reviews and analysis of operations ensures the best use of resources and identification of improvement opportunities. This project presents an innovative way of examining service delivery that, if not undertaken, risks The City becoming stale in practice or missing unrecognized challenges.

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

This report fulfills the commitment to provide Council with an interim update on the progress made since the approval of the original policy proposal and outlines the next steps in implementation of the Policy Review Project.

### **ATTACHMENT(S)**

None.