

TO:	CHAIR AND MEMBERS SERVICES REVIEW COMMITTEE MEETING ON APRIL 4, 2012
FROM:	MARTIN HAYWARD, CITY TREASURER AND CHIEF FINANCIAL OFFICER
SUBJECT	RESULTS BASED ACCOUNTABILITY AND THE BUSINESS PLANNING PROCESS 2012

RECOMMENDATION

That, on the recommendation of the City Treasurer and Chief Financial Officer the Business Plan review process outlined in this report **BE ENDORSED** including the streamlining of the review process to include up to five Services and the pre-selection of service changes and exit strategies for development of Business Cases for consideration in the budget process.

BACKGROUND

Business Plans or Profiles have been created and reviewed annually since 2008. Each year refinements have been made in an effort to continually improve the product, the process, and the outcomes. With the formation of the Business Planning Unit at the beginning of 2011 came the ability to more proactively manage this process and to focus on improvement.

Feedback

Feedback on the plans and process came from many sources and below is a summary of the main issues that emerged.

FEEDBACK AND OBSERVATIONS FROM 2011 PROCESS

Source of Feedback/Observation	What They Said
<p>Members of the public and city staff</p> <p>Small group discussions were held with staff and separately with members of the public who were involved with the Community Engagement Task Force.</p>	<ul style="list-style-type: none"> • Use easier language • Make the plans shorter and easier to read • Use less jargon • Paint a realistic picture of situation • Ensure performance measures are meaningful
<p>Services Review Committee</p> <p>A survey was undertaken and a few responses were received. Also, some feedback was received during meetings.</p>	<ul style="list-style-type: none"> • Put more focus on results and measurement • Employ a more focused approach to review
<p>Business Plan Template User Survey</p> <p>A survey of staff who completed the Business Plans was undertaken.</p>	<ul style="list-style-type: none"> • It is an appropriate level of detail for content • Infopath (the software that was used last year) was not seen as a huge improvement over MS Word • Want more clarity on intended content • Performance measures and objectives most difficult areas to complete
<p>Business Planning Team</p> <p>Observations from the review of Business Plans.</p>	<ul style="list-style-type: none"> • Weakness in performance measurement and objective setting • Use of jargon and complex language

RESULTS BASED ACCOUNTABILITY (RBA)

WHERE DID IT COME FROM?

The search for a new tool, method or process began in response to the identified weakness and apparent training needs related to performance measurement and objective setting. At the OMBI Spring Forum in 2011 an opportunity emerged with a published expert in performance measurement, Mark Friedman. Mr. Friedman who developed *Results Based Accountability* offered some interesting, understandable and widely applicable concepts related to performance measurement and strategic planning. Further, this method was developed within government, for use by government, by someone experienced in government.

Subsequently Mr. Friedman provided a training session on this model to a group of approximately 60 city managers. The managers were fully engaged in this training and the majority quickly embraced the concepts. Based on wide acceptance by this group, an Ivey module for all city managers was developed. The module was intended to share the concepts of Results Based Accountability and explore its applicability to individual Services.

WHAT IS IT?

Results Based Accountability is a disciplined way of thinking and acting that can be used to improve the quality of life in communities through all levels of government. The models can be used to improve the performance of Programs and Services. The focus is on the use of measurement of results and performance as a starting point for planning. RBA uses common language and is built upon a platform of fairness and usefulness (*If it isn't fair and useful then don't do it*).

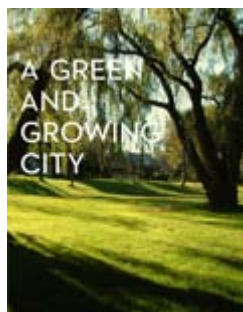
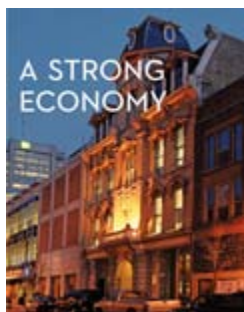
RBA THINKING MODEL - TURN THE CURVE

RBA starts with the desired end results and works through a logical sequence of steps to develop plans for programs that will contribute to the achievement of those results.

Results: What conditions do we want for our Community?

Results Based Accountability was employed in the development of Council's Strategic Plan:

FIVE KEY RESULTS THAT CONTRIBUTE TO THE HIGH QUALITY OF LIFE IN LONDON



Indicators: How can we recognize and measure these conditions? *e.g. What does A Strong Economy look like?*

Baselines: What does the data for these indicators show? Where we've been, where we are today and where we are likely to go without doing something differently.

Turning the Curve: What does success look like? What would we like the trend of those indicators to be in the future?

What Works: What possible actions can be taken to improve these conditions? Who do we need to work with to get them done?

Performance Measures: Once individual programs are in place how do we know if they are working?

CLASSIFICATION OF PERFORMANCE MEASURES

All performance measures will ultimately answer one of three questions...

- ❖ How much did we do?
- ❖ How well did we do it?
- ❖ Is anybody better off?

(Examples of each can be found in Appendix A)

WHAT'S NEW IN THE BUSINESS PLANS

Although the information to be contained in the plans is essentially the same, the layout has been revamped to align with the thinking process behind the *TURN THE CURVE* process outlined above.

The positive outcomes expected from this revision include:

- Greater focus on performance measurement
- Clarity of classification of performance measures resulting in development of new more meaningful measures
- Target setting without prejudice noting that anything better than the baseline represents progress
- Better alignment with the Results in Council's Strategic Plan's
- More clarity around why we take the actions we do.

WHAT'S NEW IN THE PROPOSED PROCESS

REVIEW OF SELECT BUSINESS PLANS

In previous years the review of Business Plans has been an "all or nothing" event. This has led to frustration on the part of administration and Services Review Committee members, difficulty setting timeframes in agendas, inconsistency in the thoroughness of review and significant staff downtime. The volume of material is such that full scale review on an annual basis is probably not feasible. Therefore, administration is recommending that, although Business Plans will be updated and submitted for all Services, only a selection of up to five Services appear before committee for review.

This selection would be made by the Services Review Committee with recommendations from administration and would be based on the following types of criteria:

- Services for which there were significant questions and/or deferred items from the previous review
- Services that were not reviewed in the previous cycle due to time constraints (list provided in Appendix B)
- Services with significant emerging issues.

Possible outcomes of the Q&A review:

- Business Plan update is received and approved as submitted
- Further information is requested
- Referred to Business Planning for full or partial review
- Referred to external consultant for full or partial review.

It is anticipated that the selection of these Services would take place in July with the actual review occurring in October noting that recommendations may not be actionable for the 2013 budget year.

BUSINESS CASES REQUESTED

In 2011 if Service Owners were proposing a service change they were asked to prepare a full Business Case for submission at the same time as their Business Plan. In the current economic climate, as in the past two years, the majority of the new initiatives proposed may not receive consideration. This year, administration is proposing to identify potential service changes including exit strategies that are found in the Business Plans. Services Review Committee will have opportunity to review this list to select those for which there is an interest in having a full Business Case prepared. This selection process would apply to those requests from outside agencies as well.

The selected Business Cases will be tabled and discussed in October prior to the beginning of budget deliberations.

SUMMARY

The 2012 process for Business Plan review has been redesigned to improve the quality of the plans and facilitate more meaningful reviews.

The streamlining of the review to select up to five Services will allow for more focused discussion and better resource management.

The advance selection of service changes and exit strategies for Business Case development will allow administration to better utilize their time by developing only those initiatives that are likely to move forward.

Administration believes that these changes will improve the process and result in better outcomes.

PREPARED BY:	RECOMMENDED BY:
SHARON HOUDE, DIRECTOR, BUSINESS PLANNING	MARTIN HAYWARD, CITY TREASURER AND CHIEF FINANCIAL OFFICER

APPENDIX A

Identifying RBA Performance Measures

<p style="text-align: center;">How much did we do?</p> <p style="text-align: center;">These are counts #</p> <ul style="list-style-type: none"> • # of children served • # of seniors • # of recreation participants • # of Building Permits issued • # of Residential Units created • # of metres of sewer installed • # parking meters • Total kms of pipe 	<p style="text-align: center;">How well did we do it?</p> <p style="text-align: center;">These are rates, ratios or %</p> <ul style="list-style-type: none"> • Workload ratio • Staff turnover rate • Cost per unit/household • % of actions timely and correct (% of maintenance on schedule; % calls answered within 3 rings; % of applications processed on time) • % clients completing activity • % actions meeting standards
<p>Is anybody better</p>	
<p style="text-align: center;">These are counts #</p> <p>How many customers are better off?</p> <ul style="list-style-type: none"> • # water main breaks per 100 kms • # of tonnes diverted from landfill • # senior staff who report that budget and finance provides the support they need to do their jobs • # clients satisfied with Adult Day Programs • # homeless housed 	<p style="text-align: center;">These are related %</p> <p>What percent of customers are better off and how are they better off?</p> <ul style="list-style-type: none"> • % water main breaks per 100 km • Diversion rate (%) • % senior staff who report that budget and finance provides the support they need to do their jobs • % clients who felt they were able to stay at home as a result of Adult Day Programs • % homeless housed

APPENDIX B

Services that were not reviewed by Services Review Committee during 2011

PROTECTIVE SERVICES

Service #	Service Name
6.4.2	Fire & Rescue Services
6.4.3	Fire Prevention & Education
6.4.4	Specialized Rescue Services

CORPORATE SERVICES:

Service #	Service Name
10.1.13	Purchasing
10.1.14	Realty Services
10.1.16	Technology Services

CORPORATE PLANNING & ADMINISTRATION:

Service #	Service Name
10.2.1	Corporate Management
10.2.2	Government Liaison
10.2.3	Information & Archive Management
10.2.4	Strategic Planning

COUNCIL SERVICES:

Service #	Service Name
10.3.1	Advisory Committees
10.3.2	Audit
10.3.3	Councillors' Offices
10.3.4	Mayor's Office
10.3.5	Municipal Elections
10.3.6	Secretariat Support (City Clerk)

FINANCIAL MANAGEMENT:

Service #	Service Name
10.4.1	Capital Costs & Contingencies
10.4.2	Corporate Revenues
10.4.3	Financial Planning & Policy
10.4.4	Financial Services
10.4.5	Business Planning

PUBLIC SUPPORT SERVICES:

Service #	Service Name
10.5.1	Administration of Justice
10.5.2	Taxation
10.5.4	Customer Relations
10.5.5	Licensing & Certificates
10.5.3	Corporate Communications
10.5.6	Cafeteria