

# Services Review Committee Business Planning Process

April 4, 2012

# Three Streams of Information

## 1. Business Plans



## 2. Business Cases for service changes including exit strategies



Business Cases

## 3. Service Reviews



# 1. Business Plans

- Template and tools rolled out March 22
- Updates are underway
- To be distributed to SRC in June
- Direction
  - Not in “growth” mode
  - Consider exit strategies



# What did we learn last year?



- Focus groups with the public and staff
  - easier language, short and easy to read, less jargon, realistic picture of situation, meaningful performance measures
- Service Review Committee
  - more focus on results and measurement, more focused approach to review
- Business Plan Team Review
  - weakness noted in objective setting and performance measures
- User Survey
  - performance measures and objectives most difficult areas

# What's different?

- Adopted Results Based Accountability (RBA)
  - Performance Accountability
  - Turn the Curve Models



# Why RBA?

- Addresses the major issues
  - introduces easier language
  - supports meaningful performance measures
  - allows more focus on results and measurement
  - puts process around performance measures and objectives
- Easy to implement
- Good response



# London and RBA

- 2011 OMBI Spring Forum
- Mark Friedman session to 60 managers
- Ivey training to broaden audience to all managers
- Used in development of Council Strategic Plan
- Already part of day to day language
  - “turn the curve” “is anybody better off?”
- Redesigned Business Plan and developed toolkit

# Results Based Accountability

*A disciplined way of thinking and acting that can be used to improve the quality of life in communities.*

- Simple thinking and planning process
- Measurement of results for populations
- Measurement of performance of programs and services
- Common language, common sense
- Fair and useful

# Results Based Accountability - Two Parts

## **POPULATION ACCOUNTABILITY**

about the well-being of **WHOLE POPULATIONS**

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Strategic  
Plan

## **PERFORMANCE ACCOUNTABILITY**

about the well-being of **CUSTOMER POPULATIONS**



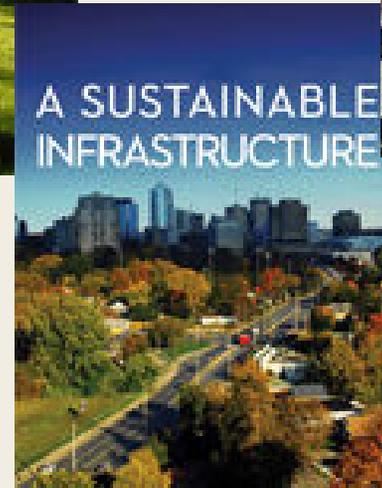
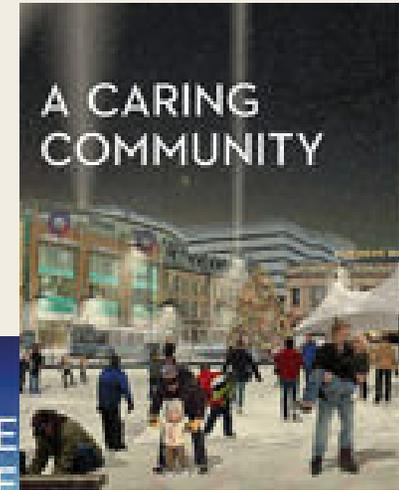
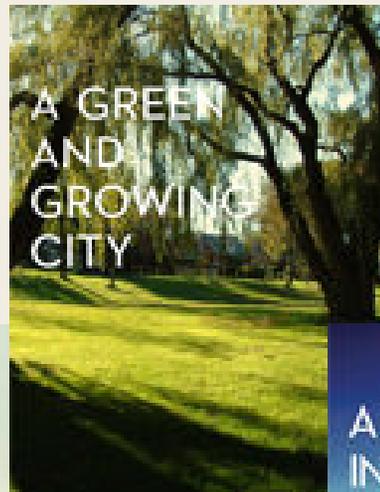
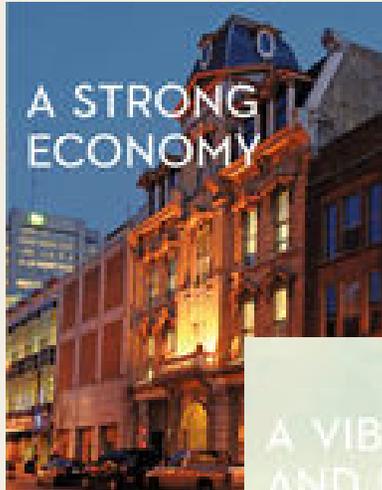
Services

# POPULATION ACCOUNTABILITY

for whole populations  
in a geographic area

# Results

Five Key Results that contribute to the high quality of life in London



# PERFORMANCE ACCOUNTABILITY

For customer/client groups of a  
specific Service

effectiveness, economy, efficiency



# Performance Measures

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

- **How much did we do?**
  - customer and activity counts
- **How well did we do it?**
  - timeliness, accuracy, reliability, workload
- **Is anybody better off?**
  - delivering the right services that provide positive results to our customers



# Performance Measures

## *Drug and Alcohol Treatment Program example*

<p><b>How much did we do?</b> customer or activity counts</p> <p><i>e.g. # of people treated</i></p>	<p><b>How well did we do it?</b> rates, ratios or percentages related to timeliness, accuracy, reliability, workload</p> <p><i>e.g. cost of treatment per client</i></p>
<p><b>Is anybody better off?</b> # of customers/clients who are better off</p> <p><i>e.g. # of clients off drugs and alcohol 12 months after exiting the program</i></p>	<p><b>Is anybody better off?</b> % of customers/clients who are better off</p> <p><i>e.g. % of clients off drugs and alcohol 12 months after exiting the program</i></p>

# The Definitions - RBA

Population  
Accountability

Performance  
Accountability

## RESULT

A condition of well-being for a whole population  
(all children, all families or the entire community)

*A strong economy, Children born healthy*

## INDICATOR

A measure which helps quantify or recognize the  
achievement of a result.

*Unemployment rate, Rate of low-birthweight babies*

## PERFORMANCE MEASURE

A measure of how well a service is working.

How much did we do?

How well did we do it?

Is anybody better off?

How  
Population Accountability  
&  
Performance Accountability  
**FIT TOGETHER**

# LINKAGE between POPULATION and PERFORMANCE

**POPULATION ACCOUNTABILITY**

**RESULT** - A Caring City

**INDICATOR** - Feelings of Safety (% of Londoners who feel safe in their neighbourhood)

**PERFORMANCE ACCOUNTABILITY**  
Fire and Rescue Services example

How much did we do?	How well did we do it?
e.g. # of Emergency Dispatches	e.g. Fire Staffing Costs per Capita
Is anybody better off? #	Is anybody better off? %
e.g. # of fires kept to the room/unit of origin	e.g. % of fires kept to the room/unit of origin

**Contribution relationship**

**Alignment of measures**

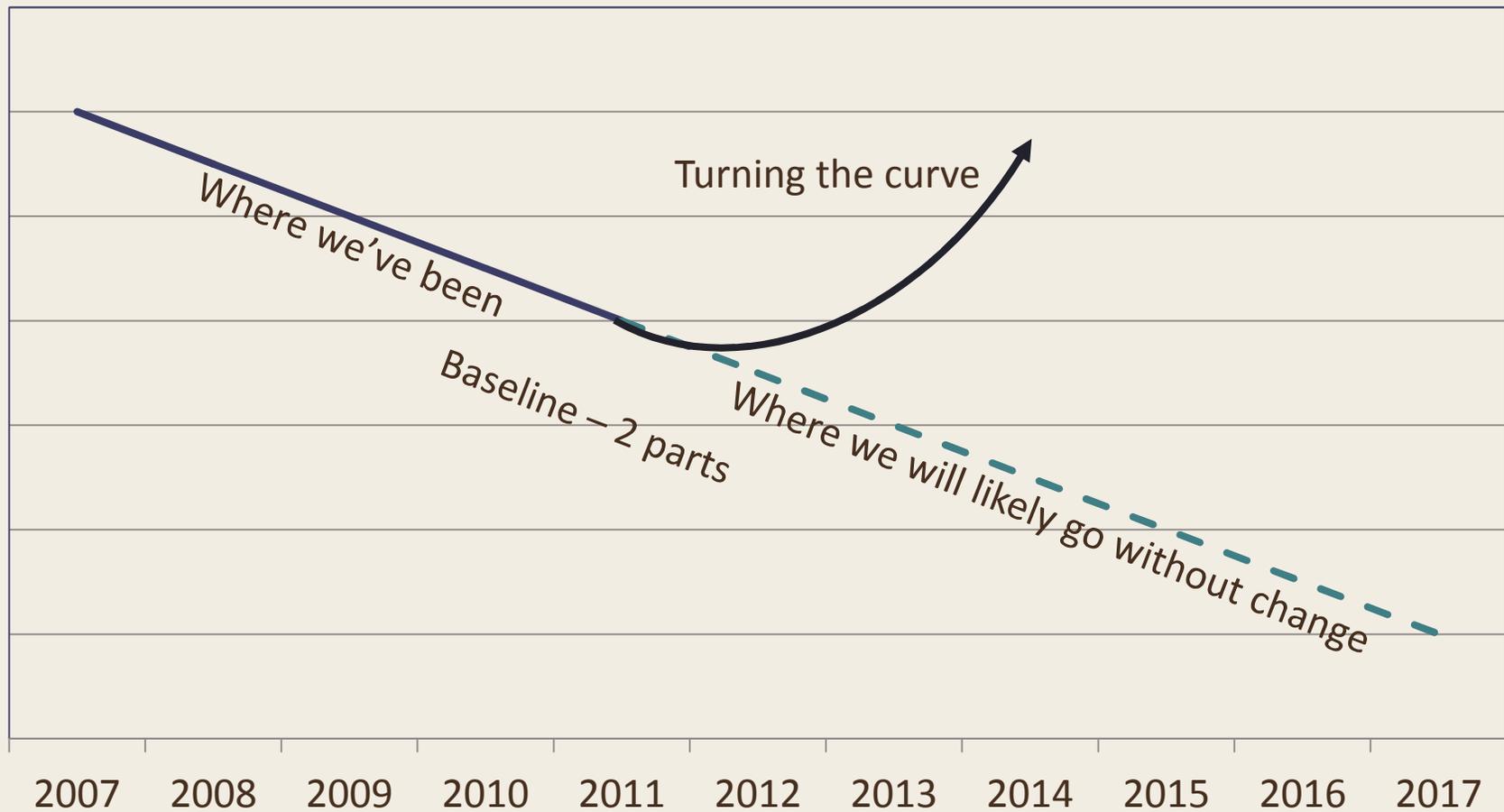
**Appropriate responsibility**

# Turning the Curve

Changing a trend line for the better

- How do we know we need to take action?
- Can we do it alone?
- How do we do it?
- How do we know we are making progress?

# Turning the Curve



# Turning the Curve

## 7 Performance Accountability Questions

1. Who are our customers?
2. How can we measure if our customers are better off?
3. How can we measure if we are delivering our services well?
4. How are we doing on the most important of these measures?
5. Who are the partners that have a role to play in doing better?
6. What works to do better, including low-cost, no-cost ideas?
7. What do we propose to do?



# RBA in a Nutshell 2 – 3 – 7

## **2 kinds of accountability**

Population accountability  
Performance accountability

## **3 kinds of performance measures**

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

## **7 questions to action**

Turning the Curve

## Business Plan

### HOW DOES THIS SERVICE CONTRIBUTE TO THE QUALITY OF LIFE IN THE CITY OF LONDON?

*In relation to the desired population results in the City of London's Strategic Plan:  
A Strong Economy, A Vibrant and Diverse Community, A Green and Growing City, A Reliable  
Infrastructure, A Caring City*

***(Answer these questions: Who do you serve? What do you do? Why do you do it in terms of the  
quality of life Results?)***



### BASIC FACTS

<b># Staff</b>	<b>Cost per Household</b>	<b>2012 Approved Gross Budget (\$000)</b>	<b>2012 Approved Net (Tax/Rate-Supported) Budget (\$000)</b>
#	\$	\$	\$
<b>Name the main activities done to provide this service:</b>		<b>How much did we do? (statistics - optional)</b>	<b>Is this service provided by someone other than City staff? (Yes/No/%)</b>
1.			
2.			
3.			

# Business Plan

## TURNING THE CURVE

Turning the curve is changing the direction of a trendline on a important measure of performance.

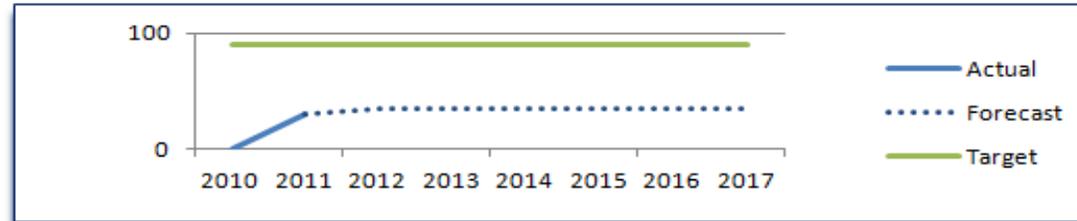
### PERFORMANCE MEASURES:

The chart(s) shows the history of actual performance and the forecast of what would likely happen without doing anything more or differently. Progress is anything better than forecast. The target (if shown) is the desired level of performance at or before 2017.

Show the most important performance measures in the form of baselines with 3 years of actual history (if available) and a 2 year forecast of performance at current effort level. Also provide the target for turning the curve if fair and useful. Which question does each performance measure answer? The best Performance Measures answer the questions: How well are we doing and is anyone better off?

**“How much did we do?” or “How well did we do?” or “Is anybody better off?”**

Name of the Measure



### THE STORY BEHIND THE CURVES

Briefly explain, so a taxpayer could understand, the story behind your performance measures. Include causes behind recent performance i.e. historical information, accomplishments, recent changes, regulatory changes, challenges, budgetary or other constraints requiring service level adjustments (Use point form and use subheadings if the story is long).

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### STRATEGIES AND ACTION PLANS TO TURN THE CURVE

Briefly explain, so a taxpayer could understand, the strategies and action plans you will undertake in the next 5 years to improve effort, efficiency, effectiveness and economy, including at least one no-cost/low-cost strategy. (Use point form)

**Who are your partners and what is their role?**

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**Action Plan (include no-cost and low-cost)**

Is additional funding required? If so a full business case may be requested.

If one of your strategies is to “exit” a service that you provide, a full business case may be requested.

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# Business Plan

## ACCOMPLISHMENTS AND STORIES

*Provide information about your accomplishments, successes, improvements to efficiencies, economy and effectiveness in the last 12 months and stories of people who have been positively impacted by your Service. (Use point form)*

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## OTHER KEY MEASURES (optional)

<i>Description of measure</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
1.						

## MEASURES UNDER DEVELOPMENT

*What important performance measures have you identified for which you do not currently collect the data?*

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# Measures Under Development (MUD)

- No data currently collected
- Data is not reliable
- Looking for a source
- Reviewing cost/benefit of collecting data



# Mark Friedman talks about Results Based Accountability

# 1. Focused Review of Business Plans

- Up to 5 plans - reviewed in depth
- Q & A format
- Possible outcomes of Q&A:
  - Received and approved as submitted
  - Request further information
  - Referred to Business Planning or external consultant for full or partial review

***JULY – Select Services***  
***OCT – Perform Review***

effectiveness, economy, efficiency



## 2. Pre-Selection of Business Cases

- Business Planning will flag changes to services proposed in Business Plans
- Committee to request full Business Cases if interested

***JULY – Identify***

***OCT – Review***



Business Cases

# 3. Service Reviews

- Every review is different
  - scope (simple process - entire service)
  - special purpose
- Some approaches that may be employed
  - Zero Based Budget
  - Risk Framework
  - Activity-Based Management
  - Benchmarking
  - Business Intelligence
  - Business Process Re-engineering
  - Capacity Management
  - LEAN
  - Target Costing
  - Value Chain Analysis



# 3. Service Reviews



## Currently Underway

Snow Control  
Brownfields

## Next Up

From Business  
Plan review  
By request

## Future Prioritization

1. Self Assessment
2. Objective Criteria

# Part 1: Self Assessment



- Experiencing unsustainable growth in costs
- Unable to meet demand, customer expectation
- Unable to meet standards/objectives
- Consistently doing better than standards/objectives
- Require significant changes to meet industry, professional or legislative standards
- Experiencing significant change (systems, personnel, processes)
- Experiencing or anticipating significant budget pressures that may impact service delivery
- Service levels or delivery methods differ from other municipalities

## Part 2: Objective Criteria



- Financial significance
- Consistently over or under budget
- Not competitive with private sector comparator
- Experiencing changes in revenues
- Existing user fees do not cover costs
- Appears to be significant potential for:
  - cost savings or other improvements
  - alternative service delivery
  - new revenue opportunities

# Timelines

## 1. Business Plans



## 2. Business Cases



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Business Cases

## 3. Service Reviews

