TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON DECEMBER 17, 2018
FROM:	MARTIN HAYWARD CITY MANAGER
SUBJECT:	COUNCIL'S STRATEGIC PLAN 2019-2023: SETTING THE CONTEXT

RECOMMENDATIONS

That, on the recommendation of the City Manager, the following report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Strategic Priorities and Policy Committee (SPPC): December 2, 18, 2014; January 12, 26, 2015; February 6, 23, 26, 2015; December 7, 2015; May 16, 2016; November 21, 2016; May 29, 2017; November 22, 2017; May 7, 2018; November 19, 2018.

BACKGROUND

Council's Strategic Plan sets the vision and focus of Council and Administration for the next four years. The Strategic Plan provides direction for Council's Multi-Year Budget, which establishes the resources for, and pacing of, strategy implementation. Business plans of civic service areas and the City's agencies, boards and commissions then document how the decisions made through the Strategic Plan and Multi-Year Budget are operationalized.

The purpose of this report is to accomplish the following:
1. Provide background information about strategic planning and the connection to the Multi-Year Budget;
2. Outline the proposed approach to develop Council's Strategic Plan 2019-2023; and,
3. Provide some initial background information to support the development of the Strategic Plan.

Strategic Planning and the Connection to the Multi-Year Budget

Strategic Planning is an organization's process of defining its strategic direction and making decisions on allocating resources to pursue this strategy. It is a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what it does, and why.

The City of London has a comprehensive Strategic Plan for 2015-2019. It was built on input from the community throughout the development of the Plan and also the foundation of past strategic plans, master plans, and guiding documents that reflect the input of thousands of Londoners. Many strategies in the 2015-2019 Strategic Plan continue past 2019 and could continue to be reflected in a new Strategic Plan.

Earlier this year, Civic Administration sent out a survey to Council, City staff involved in the strategic planning process, and agencies, boards and commissions asking for feedback on the process undertaken to develop Council's Strategic Plan 2015-2019. Feedback was provided on the development of the Plan, the components of the Strategic Plan, the community engagement process, and priority setting. Civic Administration has incorporated this feedback into the proposed approach and process outlined below.

The major points of feedback included:

- The timeline was quite aggressive. More time for debate and engagement is important;
- Consider how to measure the plan in the beginning of the process. Be clear about the outcomes and expected results;
- Build on the current plan, don't start from scratch;
- Build on the broad engagement of the current plan;
- Strengthen the deliberate link to the budget;
- Be focused and comprehensive with strategies at a higher level; and,
- Continue to have an easy to read document.

Civic Administration also undertook a review of best practices and trends for municipal strategic planning. Based on that review and the feedback received, the following proposed approach and process for the development of Council's Strategic Plan for the period 2019 to 2023 is recommended for consideration.

Proposed Approach to Develop Council's Strategic Plan 2019-2023

Highlighted below are six key elements that will guide the development of Council's new Strategic Plan:

1. The Strategic Plan is a directional document which guides the work of the Corporation of the City of London, including Council, Administration, and the City's agencies, boards and commissions over the next four years.

2. The City of London currently has a comprehensive Strategic Plan (2015-2019). The Strategic Plan 2019-2023 will build on input from past strategic plans, master plans and guiding documents. These include the 2015-2019 Strategic Plan, the London Plan, the London Downtown Plan, the Corporate Asset Management Plan, and many others. These documents reflect the input of thousands of Londoners.

3. The Strategic Plan 2019-2023 will be deliberately connected with the 2020-2023 Multi-Year Budget from the very beginning. Civic Administration will make sure that there is consistent alignment and wording between these two critical processes and documents so that the Strategic Plan provides direction for Council's Multi-Year Budget. For example, if a strategy is identified in the Strategic Plan, the metric for that strategy will be identified in the corresponding Strategic Investment Business Case (if additional funding is required), and reported on through the Business Plan, ensuring there is intentional alignment between the Strategic Plan and the Multi-Year Budget (see below for a visual presentation of this alignment).

4. The City of London is a complex organization, providing nearly 100 services that Londoners rely on every day. The Strategic Plan will be comprehensive and a reflection of all that is to be done <u>but</u> will be focused specifically on <u>strategic</u> <u>directions</u> that will be implemented. This means that while the delivery of these services is informed by broad and comprehensive ideas, it is the focused strategic actions within the 2019-2023 window that will be reflected in the Plan.

5. The Strategic Plan 2019-2023 will be built with clear and measurable outcomes. At the beginning of the process, outcomes and expected results will be established. These will be directly aligned with each strategic area of focus, as well as the Multi-Year Budget and Business Plans.

6. Building on the structure of the current Strategic Plan, and incorporating the feedback of how to improve, the following structure is recommended:
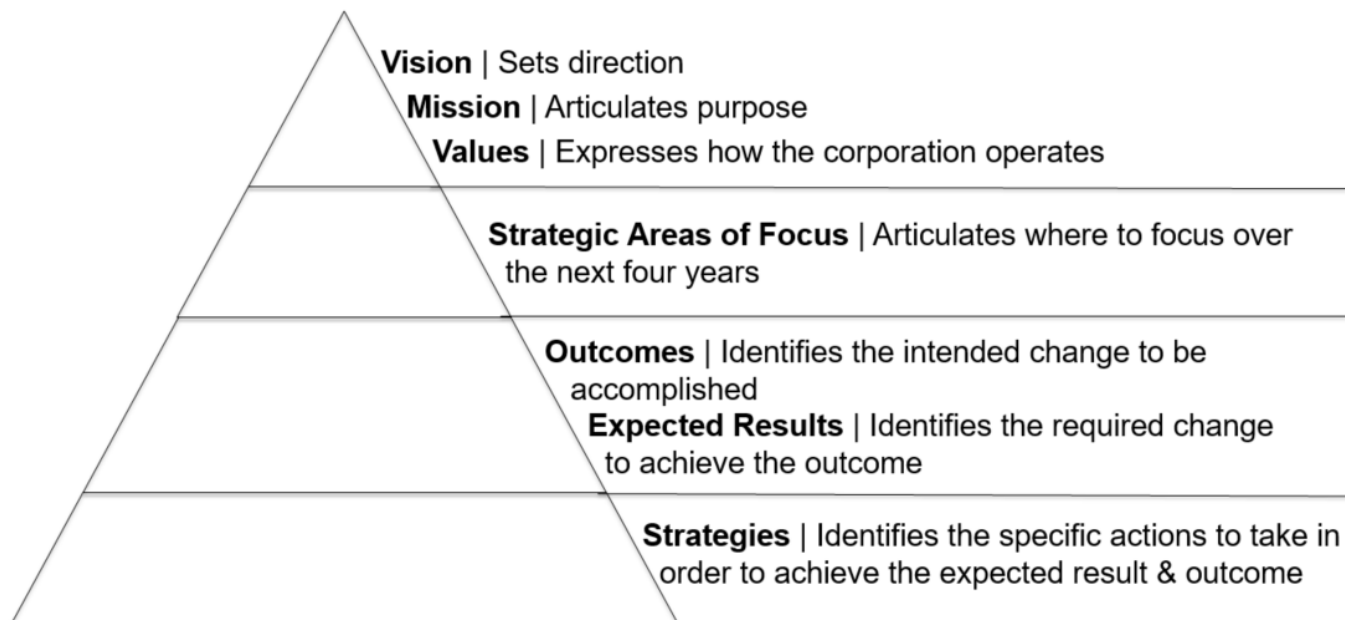
Proposed Process to Develop Council's Strategic Plan: Timelines and Key Deliverables

Civic Administration is recommending that the timeframe to develop the Strategic Plan 2019-2023 is December 17, 2018 to April 30, 2019. This allows more time for debate and community engagement. It also completes the development of the Strategic Plan in time to provide direction for the Multi-Year Budget process.

In an effort to support Council to develop and approve the 2019-2023 Strategic Plan by April 30, 2019, the proposed timelines and key deliverables for each Strategic Priorities and Policy Committee (SPPC) meeting are identified below:

December 17, 2018: Strategic Plan 2019-2023: Setting the Context

- o Civic Administration provides a context for Council's development of the 2019-2023 Strategic Plan

January 14, 2019: Setting Key Elements of the Strategic Plan

- o Council begins to set the vision, mission, values, priorities, outcomes, and expected results
- o Civic Administration shares a proposed community engagement strategy to roll out in February including multiple opportunities for in person and on-line feedback

January 28, 2019: Continuing to Set Key Elements of the Strategic Plan

- o Council sets the vision, mission, and values and confirms the outcomes and expected results
- o Civic Administration shares the draft proposed strategies

February 1 – 28, 2019: Community Engagement

- o Community Engagement – engage with the community in multiple ways (on line, in person, and by phone) regarding the vision and strategies

March 4, 2019: Tabling the Community Engagement Results

- o Council receives the results from the community engagement process and has time to consider the results prior to the next SPPC meeting

March 25, 2019: Setting the Strategies

- o Council debates the strategies, outcomes, and expected results

April 8, 2019: Finalizing the Strategic Plan

- o Council debates any final changes to the Strategic Plan

April 23, 2019 (Special SPPC Meeting prior to Council): Receiving and Approving the Strategic Plan

- o Council receives and approves the Strategic Plan

April 23, 2019 Council Meeting: Approving the Strategic Plan

- o Council approves the Strategic Plan 2019-2023

May 2019: Development of the 2020-2023 Multi-Year Budget

- o Development of the 2020-2023 Multi-Year Budget begins

Initial Background Information to Support the Development of Council's Strategic Plan

The following section provides some key background information and input that can help to establish context throughout the strategic planning process. Additional contextual information and input (staff and community engagement, etc.) will be provided throughout the process as it becomes available.

London's Population Characteristics and Projections

Appendix One contains key contextual information regarding London's population, including characteristics and projections.

Strategic Plan 2015-2019 Performance Report and Impact Assessment

Council approved a Strategic Plan Measurement Framework and Tool in June 2018.

The Strategic Plan Measurement Tool offers a standardized instrument to track performance on an annual basis as well as over the lifetime of the Strategic Plan. There are two levels of analysis that can be completed by using the Strategic Plan Measurement Framework and Tool.

1. The first level of analysis relates to the performance of the initiatives in the Strategic Plan. Results indicate whether the specific initiatives were achieved. This answers the question, "Did we do what we set out to do?" and is captured in the 2016 and 2017 Performance Report.

2. The second level of analysis examined the data in aggregate in order to determine the results of the strategies found in the 2015-2019 Strategic Plan. This analysis answers the question "How has London changed as a result of the Strategic Plan" and is captured in the 2015-2017 Impact Assessment.

<u>Input from City Council: Councillor Elect Engagement Conversations</u>

Civic Administration spoke individually to several City Council members over the past month asking them for their input on the following three questions:
   o What do you think Council should achieve over the next 4 years?
   o What were the top 2 to 3 priorities you heard while engaging with Londoners over the last few months (door-to-door, social media, meetings, etc)?
   o What was the "single" most important message you heard talking to Londoners over the last few months?

Appendix Two is an overview of the most common themes that were mentioned in these conversations.

<u>2018 City of London Political, Economic, Social, Technological (PEST) Analysis</u>

The purpose of a PEST analysis is to develop an understanding of external factors that affect an organization. The PEST provides items to consider during decision making and strategic plan development. PEST definitions are as follows:

Political: includes government regulations and legislation governing the City of London

Economic: addresses the external economy including growth, exchange, demand, inflation and interest rates, etc.

Social: includes demographic and cultural factors such as population, age, health, and employment trends of citizens

Technological: factors related to technological advancements including life cycle, automation, and impact on the City of London

Civic Administration, agencies, boards, and commissions undertook a 2018 PEST analysis which is attached as Appendix Three.

CONCLUSION

The Strategic Plan identifies Council's vision, mission, values and strategic areas of focus for 2109-2023. It also identifies the specific outcomes and strategies that Council and Civic Administration will deliver on together over the next four years. The Strategic Plan sets the direction for the future, and guides the City's Multi-Year Budget. It is through the Multi-Year Budget process that Council's Strategic Plan will be put into action, adding further detail to each strategy about accountability, pacing and resourcing.

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cc.   Senior Management Team
             Strategic Thinkers Table

City of London Population Characteristics and Projections

Population Characteristics (as per 2016 Statistics Canada Census)
- London's total population is 383,825

- 48% of London's population are males and 52% are females

- In 2016, London's average age was 40.5 years, slightly less than Ontario's and Canada's population average age of 41 years old

- The city's population density was 913 persons per square kilometer in 2016. London's population density is much lower than Waterloo's (1,640) and Windsor's (1,484), but higher than Ottawa's (334). This reflects the fact that a large portion of London is occupied by agricultural land

- As London's population is aging, the working age population (15 to 64 years) continues to decrease. The 25 to 44 years old population is about 26.5% and the 45 to 64 years old shrunk to 27%. The seniors over 65 years grew to 17% in 2016

- Almost 21% of Londoners identified their mother tongue as a language other than English or French. The most commonly spoken non-official languages in London are Arabic, Spanish, Mandarin, Polish, and Portuguese

- Over half (55.6 %) of Londoners age 15 years and over achieved postsecondary education, while 16% had not achieved a high-school certificate or equivalency

- In 2015, 33% of Londoners reporting income earned less than $20,000/year, while nearly 10% earned more than $90,000

- The city's dependency ratio increased from 44.8% in 2011 to 48.6% in 2016. This means roughly half of London's population are of working-age and are supporting the other half of the population, who are either children or seniors

Population Projections
- Over the past 20 years, London's population growth has been steady, but moderate, hovering near 1% per year

- London's population is projected to be 404,600 in 2021 (5.4% increase) and 424,800 in 2026 (5% increase)

Input from City Council: Councillor-Elect Engagement Conversations

Councillor Engagement Themes
Throughout the election, candidates engaged with thousands of Londoners at the door, via phone and email, and though social media. Civic Administration asked Councillors-elect about the priorities that Londoners raised with them. This appendix provides a summary of each theme, beginning with the most commonly mentioned themes, listed in descending order.

Transportation
- BRT
- Transportation to industrial areas
- Regional transportation
- More reliable ways for Londoners to travel across the city
- Affordability

Affordable Housing & Homelessness
- Range of housing options needed
- Access and waitlist concerns
- Address state of repair (London & Middlesex Housing Corporation)
- Concern for people in the downtown
- Linkage to mental health and addictions

Mental Health & Addictions
- Coordinated response and downtown concerns
- Safe consumption sites
- Partnership with the Province
- Better supports for those affected

Neighbourhood Services & Engagement
- Need to improve basic services for residents – snow removal, garbage collection, etc
- Focus on local issues and resident involvement
- Services in neighbourhoods
- Park enhancements

Trust, Communication, Connectedness & Engagement
- Improve engagement with Londoners
- New and improved ways to communicate with residents
- Responsiveness
- Resident involvement in decision making
- Access to information about how decisions are made

Jobs, Industry & the Economy
- Attract new investment and business to create jobs
- Remove barriers for economic opportunities

Congestion & Traffic
- Congestion is a common concern
- Improve coordination of road work
- Cut-through traffic in neighbourhoods as a result of development

Community Safety
- Neighbourhood crime
- Road safety – ways to address this in neighbourhoods

Value for Taxes
- Value for money

Infrastructure
- Recreation
- Roads and sidewalks

City of London 2018 Political, Economic, Social, Technological (PEST) Analysis

Political
- Provincial and federal funding programs and regulations
    - Uncertainty of priorities and misalignment of priorities between different levels of government
    - Governments less focused on initiatives targeted for mid-sized cities
    - Adjustment to change in policy direction on issues such as: temporary overdose prevention sites, homelessness, truth and reconciliation, climate change and environmental protection, secondary dwellings, inclusionary zoning, etc.
    - Cannabis legalization and regulations governing consumption, enforcement and retail sales
- Council directives – new municipal Council
- Ongoing relationships with community partners

Economic
- Employment rate and labour market trends
    - Industries of focus - employment growth shifted to service producing sectors
- Trade relationships, agreements and tariffs and impact on end markets, municipal infrastructure project costs, etc.
- Budget pressures and funding priorities of other levels of government
- Trade patterns, efficient movement of goods in/out/around the City
- Pace of growth and development
- Increasing land values
- Increasing inflation and cost of living
- Rising interest rates
- Changing insurance premiums
- Changes to minimum wage
- Changes to housing stock and market
- Income disparities
- Fluctuating Stock and Bond markets
- Constrained space as identified in the Master Accommodation Plan
- Access to capital markets

Social
- High quality of life in London
- High resident satisfaction with City services
- Increasing population growth and changing demographics
- Increasing challenges for vulnerable populations
    - Low labour force participation rate and lack of meaningful work
    - Underemployment
    - Precarious employment
    - Affordable housing
    - Mental health and changing nature of drugs and substance abuse
    - Health and obesity
    - Attitudes towards vulnerable populations
    - Increasing trend of social isolation
- Londoners are actively engaged in their community and there is a desire to see increased participation and engagement in civic life
- Newcomers are an important element of the community fabric and
- Changing water quality in Thames River
- Changing attitudes towards transit
- Implementing Truth and Reconciliation Commission Calls to Action
- Violence and impact on community safety
- Increasing use and expectations around social media engagement
- Fragmented use of media and technology
- Emergency preparedness (terrorism, pandemic, natural disasters)
- Accessibility of services

Technological
- Open government and transparent decision-making
    - Community engagement through civic accelerators and open data
- Enhance decision making through analytics, machine learning, and artificial intelligence
- Desire for Smart City thinking and infrastructure is increasing
    - ICT infrastructure and other data gathering tools

- Automation and digital transformation of processes
- Internet of Things and blockchain technologies
- Online service delivery
- Data sharing
- Electronic bus technology, autonomous vehicles, smart traffic systems, etc.
- Evolving information security threat environment
- E-gaming, augmented and virtual reality
- Changing expectations about speed and accessibility of information
- Green construction and facility retrofitting
- Intelligently leverage cloud computing