Core Services Review Vision and Mandate

City of Nanaimo

Core Services Review Steering Committee

April, 2015

Agenda – April 15, 2015

1. Purpose and Goals of Session
2. Dynamics of Collaborative Decision-Making
3. Preliminary Perspectives and Visions of Core Review
4. Defining Scope
5. Defining Roles and Responsibilities
6. Defining Process
7. Summary

PURPOSE AND GOALS

Purpose and Goals

"A core review [is]…Council's number one priority."

"Development of a <u>mandate</u> to guide the development of a <u>terms of reference</u> of a <u>core review</u>." (Motion, February 2, 2015)

"The Core Services Review ("CSR") Steering Committee has a mandate to support, guide, and oversee the Core Services Review for the City of Nanaimo." (Terms of Reference for CSR Steering Committee, March 2, 2015)

Purpose and Goals

- How do you understand the motion of February 2, 2015?
    - Why is a core review Council's number one priority?
    - Explain the *Why? What? Who? and How?* of a mandate for the review.
        1. *Why* do we need a mandate?
        2. *What* should the mandate be?
        3. *Who* does the mandate guide?
        4. *How* will the mandate be implemented?

Purpose and Goals

The key outcomes we are seeking today:

1. Build a shared vision and understanding of the core review

2. Build consensus around an approach to to the core review

3. Collectively define the key elements of a core review mandate

4. Identify next steps in the core review process

DYNAMICS OF COLLABORATIVE DECISION-MAKING

Models of Group Decision-Making

1. Does the image represent a model of working together/making decisions that you find positive or negative? Why?

2. Which model of making decisions do you most prefer? Least prefer? Why?

3. Which model of making decisions do you think is most common? Least common?

Models of Group Decision-Making

Mode	Authoritarian	Competitive/Power Struggle	Consultative/Collaborative
Nature	Force Based	Power Based	Unity Based
Examples	• Hierarchical • Domain of a few • Imposed vision • Individual-centered • Initiative discouraged • Fear of change • Unstable • Following and fixed	• Anarchical • Domain of winners and losers • Competing visions and goals • Individual-centered • Self-regulation • Success is rewarded and failure punished	• Cooperative • A community • Shared vision • Team-centered • Outward looking • Responsibility-centered • Initiative encouraged • Open to change • Stable • Leading and learning

Group Decision-Making and the Core Review

- What has been your predominant current model and experience of decision-making?

- Is moving forward collaboratively critical for the success of the core review and meeting your "number one priority"?

- What needs to be done individually and collectively (by Council or the CSR Steering Committee) to ensure a collaborative approach to the core review will succeed?

PERSPECTIVES AND VISIONS OF CORE REVIEW

Perspectives and Visions

Write down your first answers to the following questions.

1. The fundamental purpose of the core review is to:

1. Three key priorities that must be addressed in the core review are:

3. Three key challenges we will face regarding the core review are:

4. Success in the core review would look like:

Perspectives and Visions

Purpose

Build confidence (Council, Staff, Taxpayers, Stakeholders)?

Increase excellence in governance?

Achieve better financial outcomes?

Achieve better service delivery?

Other?

Priorities

Global or specific?

Internal or external?

Financial or non-financial?

Long-term or short term?

Other?

Core Review Vision Matrix

Challenges

At the level of Mayor and Council?

At the level of Staff?

At the level of taxpayers?

At the level of stakeholders?

Other?

Signs of Success

In the process?

In substantive outcomes?

In the implementation of the outcomes?

In how decisions are made and who is involved?

Other?

Perspectives and Visions

The Case for Change

Like so many communities across Canada, this City's infrastructure (water, sewer, roads and buildings) is aging. We are not investing enough to repair and replace the City's infrastructure. A significant portion of the City's annual budget goes to paying principal and interest on the City's debt. City Council needs to determine what is affordable for this community. A Core Services Review will consider a full range of opportunities for change, from increasing revenues to reducing spending, and from improving efficiencies to introducing different ways of delivering services. City Council needs to make certain the City is an efficient organization, providing the right services to our community and delivering the best value for money. We need to achieve savings where we can and redirect our spending to the priority services that need it most. We will also identify other potential sources of revenue and City Council will decide which necessary changes to implement. The Core Services Review will be carried out in an open way, with participation from all our staff, both management and unionized, the union executives, and from the community, learning from other cities and from our own experience. We will validate what we are doing right and make improvements based on the outcome of the review. (Prince George, 2013)

Perspectives and Visions

The Service Squamish Initiative is about envisioning, defining and achieving excellence in local government for District of Squamish residents, investors, Council, and employees. It is about sustainable governance through which we structure and lead an organization that enhances Squamish the community, Squamish the place, Squamish the economy, and Squamish the corporation. (Squamish, 2010)

Perspectives and Visions

The Corporation of the City of Vernon has experienced significant changes with respect to range of services and programs, service delivery models, regional partnerships and responsibilities, staffing, assumption of downloaded responsibilities and boundary extensions over the past 19 years. While contemporary responsive municipal corporations must evolve within the changing business environment, rapid and at times quite dramatic shifts tend to create an unstable environment in which it is difficult to implement sound, consistent processes that focus on core customer services. Further, it is difficult to build a relatively stable, efficient learning organization, recruit and retain skilled personnel and establish sound management practices. Reasonable stability and clear focus are the foundation blocks to a high performance, cost effective business model.

Modern, forward thinking municipalities and the residents, rate-payers and businesses they serve, are tending to pursue long-term sustainable practices. For the community this means a focus on economic diversity leading to resiliency and value added employment opportunities, thoughtful development leading to minimizing the environmental footprint and protection of key natural attributes; and the assurance of a responsible, caring social fabric that embraces cultural values and ties the community together. For the municipal corporation this requires a clear vision determined by Council and responsive to community expectations. The business of the corporation must be well defined and limited. A sound multi-year financial plan based on establishing a stable, predictable tax environment that does not unduly burden future generations will give rate-payers and investors a needed level of surety. The corporation must be appropriately resourced and structured to deliver expected services and programs in an efficient, creative and customer centric approach.

Periodic Core Service Reviews are a necessary and positive means to check, confirm and re- orient (as necessary) the range of services to be delivered, as well as the means of delivery. Core Service Reviews are one method to: ensure what is delivered is of the highest value to the community, shed lower values services, apply best modern practices to cost effective delivery, and direct valuable, limited resources to the delivery of community valued programs and services. (Vernon, 2012)

Perspectives and Visions

"City spending is on an unsustainable path with expenditures… rising at a rate much higher than inflation" (City of Penticton explaining purpose of 2010 core services review)

"A Core Service Review is a tested mechanism in informing decisions on expenditure reductions" (KPMG statement re: City of Toronto Core Service Review Final Report)

Perspectives and Visions

Our goal is to identify the elements of a shared vision statement of the core review for the City of Nanaimo. In two groups complete the following tasks:

1. Identify elements of the sample vision/description statements that your group likes/dislikes? Why?
2. Identify key elements or points that should be reflected in a vision statement for the core review of the City of Nanaimo?
3. Prepare a vision statement, or part of a vision statement, for the core review?

In completing this task consider both how the vision provides a clear message to the public and stakeholders about the nature and importance of the core review, and how it offers useful guidance to Mayor and Council, the CSR Steering Committee as well as Staff, in proceeding with the review.

DEFINING SCOPE

Defining Scope

A key challenge is defining the scope of the core review.

The scope of the review will guide the roles, responsibilities and process for the review, the types of recommendations and decisions that will have to be made, and the costs of the review.

Defining Scope

Issue #1: Should the review be comprehensive in evaluating service delivery (e.g. looking at all operations/service delivery) or be targeted (e.g. looking at some operations/service delivery)?

Issue #2: Should the review include an assessment of budget and spending patterns over time and preparedness for future demands and needs (e.g. for the purposes of evaluating service delivery and/or to evaluate the overall strength and preparedness of financial management)?

Issue #3: Should the review include looking at the organizational structure and governance of the City (e.g. for the purposes of evaluation and preparedness to implement recommendations and/or to evaluate the overall strengths and opportunities of the organization and governance)?

Issue #4: Should the review include looking at comparable municipalities?

Issue #5: Should the review be conducted globally (e.g. everything reviewed at once) or staged (e.g. move through stages based on priorities)?

Issue #6: What role should recent completed City of Nanaimo reviews/assessments play in the core review?

Issue #7: What are the cost/budget implications of various options and approaches to defining the scope of the core review?

Defining Scope

- City of Mission's core services review was completed in the following overarching categories: (1) Internal Service Delivery (2) Citizen Service Delivery (3) Governance (4) Policy (5) Human Resources (6) Communication. (see handout from City of Mission RFP p. 16 - 18 to see how "scope" stated)

- Squamish has 7 elements (1) Align resources (2) Strong Leadership (3) Streamline Processes (4) Effective Communications (5) Long-Term Strategies (6) Strategic Financial Management (7) Accountability of their Service Squamish Initiative which are aligned with their strategic plan. Core services reviews occur on a staged basis as part of "(3) streamline processes". (see handout from Squamish Strategic Services Initiative, p. 18 and 19 to see staged approach)

Defining Scope

- City of Vernon core review scope includes some broad financial, service, and organizational elements (see handout p. 15 – 18 from City of Vernon RFP)

Defining Scope

Examples of recent City of Nanaimo initiatives:

- Building Trust Organizational Plan, Jan. 2010
- Management Structure Review, March 2010
- Management Compensation Review, September 2011
- Contracted Services Review, January 2012
- Governance Review, June 2013
- Procurement Process Review, March 2014

Defining Scope

Working in pairs, reviewing the issues list and the examples given, identify the key elements for the scope of review. In particular:

1. Develop shared answers to the seven "issues"?
2. Identify in more specific terms what specific topics (e.g. services, functions) are most important to be a priority in the review?
3. Identify in more specific terms what specific topics (e.g. services, functions) are least important to be a priority in the review?
4. Identify how previous City of Nanaimo initiatives should be considered or factored in (e.g. desktop review? Integrated into review? Certain topics out of scope?)?

DEFINING ROLES AND RESPONSIBILITIES

Roles and Responsibilities

Write down your first answers to the following questions on post-it notes, and post your answers on the wall:

1. The role of elected officials in the core review should be..
2. The role of staff in the core review should be…
3. The role of the public in the core review should be…
4. The role of unions in the core review should be…
5. The role of stakeholders in the core review should be…
6. The role of external consultant(s) should be…

Roles and Responsibilities

Roles and responsibilities are defined so far in the CSR Steering Committee Terms of Reference:

"The Core Services Review ("CSR") Steering Committee has a mandate to support, guide and oversee the Core Services Review for the City of Nanaimo. The Steering Committee also makes recommendations to City Council on a high level implementation plan for identified priorities and the process by which the effectiveness of implementation will be measured. The CSR Steering Committee ceases to exist upon Council adoption of an implementation plan."

Roles and Responsibilities

"The objectives of the CSR Steering Committee are to:

- Develop the Core Services Review mandate with the assistance of the consultant retained by Council.
- Make recommendations to Council on the Core Services Review Request for Proposal.
- Evaluate the proposals resulting from the Request for Proposal and make recommendations to Council on the selection of a Core Services Review consultant.
- Should additional consultant(s) be required in order to fulfill the Core Services Review mandate, oversee the process of consultant(s) selection, evaluate resulting proposals, and make selection decision(s) in accordance with the Purchasing Power Delegation Bylaw.
- Clarify desired outcomes and overall approach to the Core Services Review process.
- Identify stakeholders in the Core Services Review process, determine desired level of input and establish timing and input mechanisms.
- Develop and/or approve a communication strategy for the Core Services Review.
- Approve the overall framework for Core Services Review reporting and any related documents.
- Make recommendations to Council on the final report of the Core Services Review consultant.
- Recommend to Council priorities for implementation of the Core Services Review recommendations, a high level implementation plan and a performance measurement process to monitor and report on the effectiveness of implementation."

Roles and Responsibilities

Consider the following checklist of roles and responsibilities. How many of these do we have clear answers for already? What are our proposed answers to the other questions?

- Who will have formal roles within the process?
- Who is responsible for implementing (e.g. internal or external?) the process?
- Who is responsible for monitoring the process, and ensuring it remains in scope and consistent with direction?
- Who is responsible for messaging about the process to the media and public?
- Who is responsible for making decisions as the process unfolds?
- Who is responsible for making decisions about the outcomes of the process?
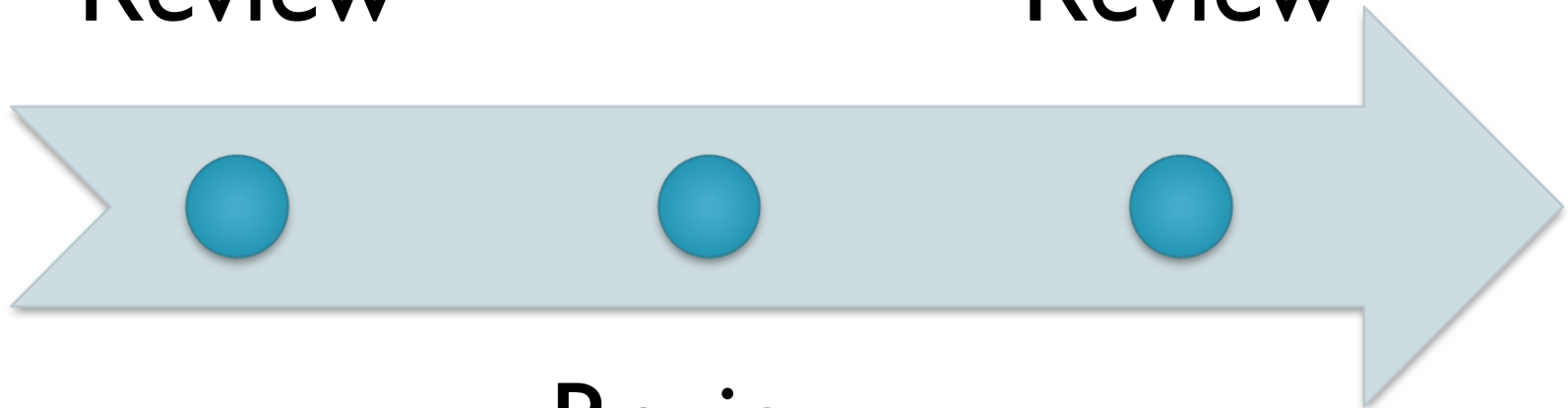- Who is responsible for implementing the outcomes of the process?

DEFINING PROCESS

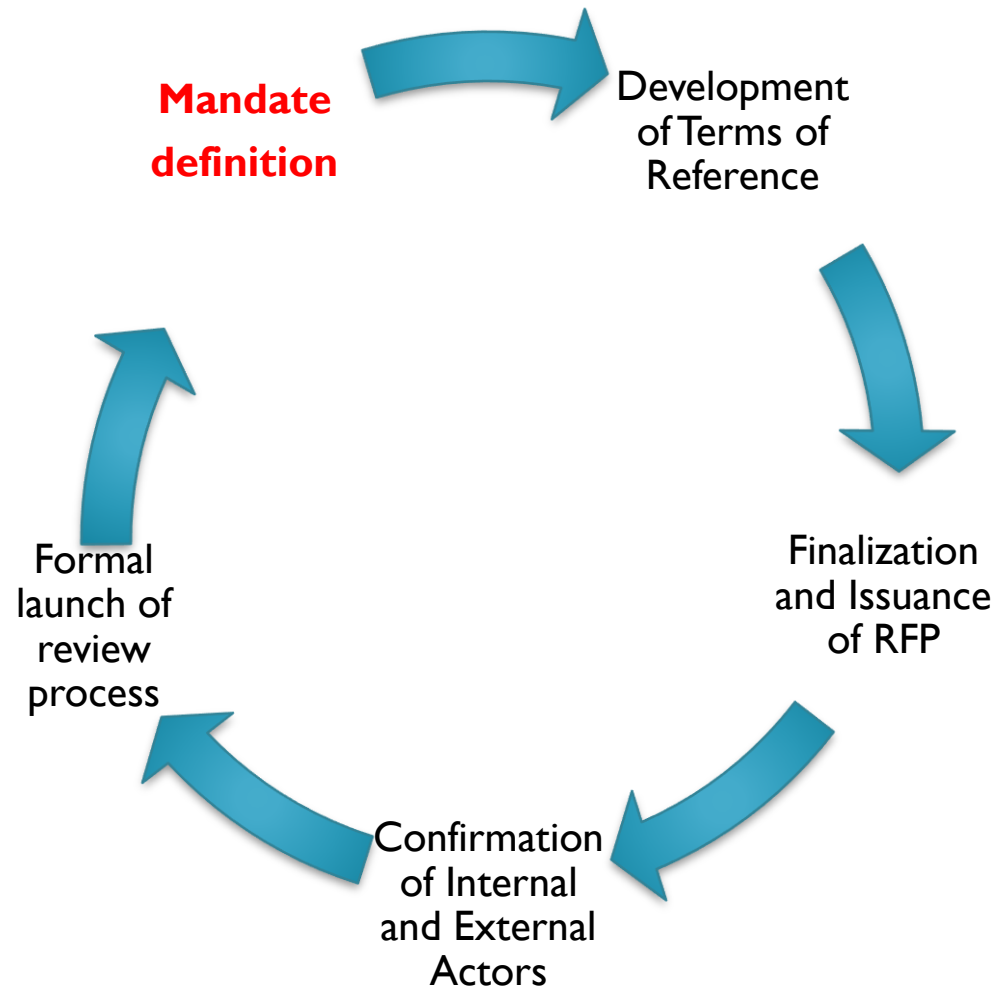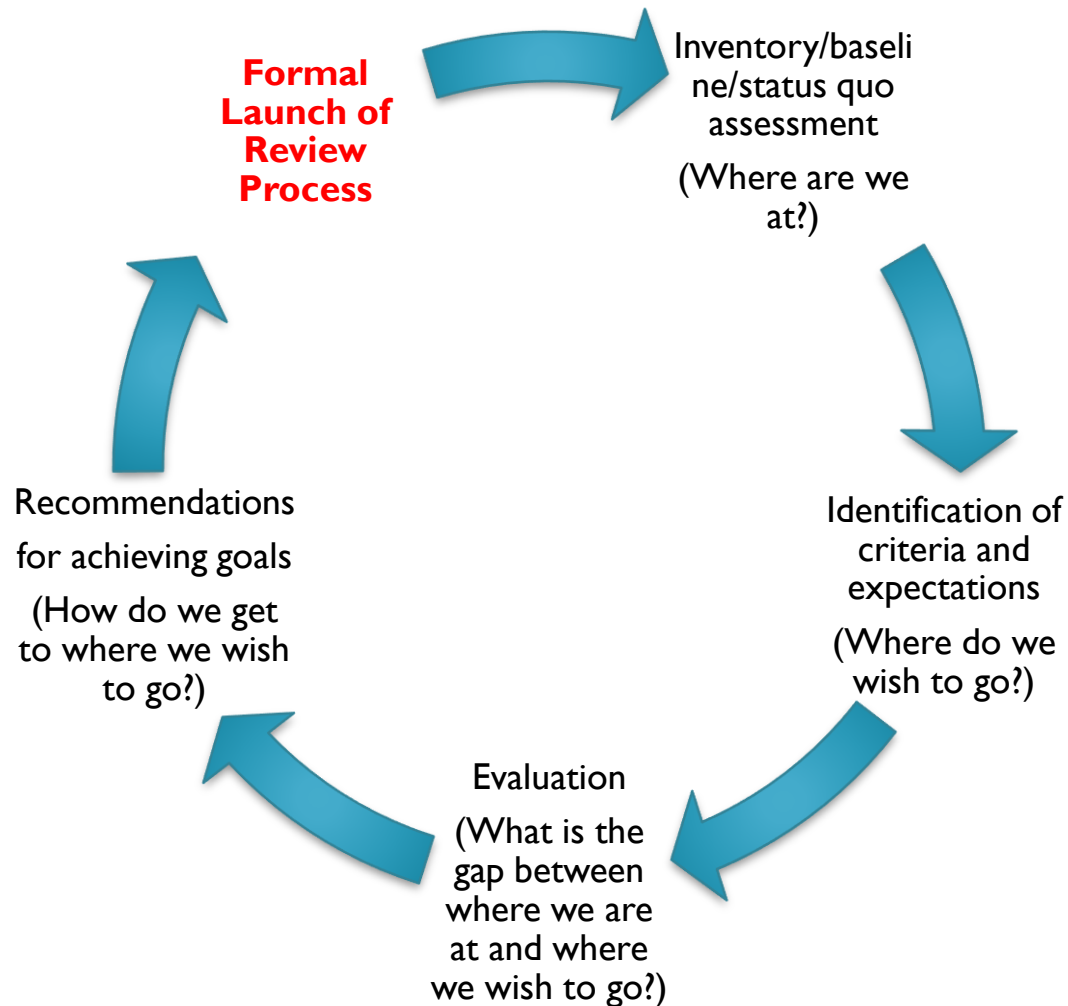# Process

Pre-Review

Post-Review

Review

Process (Pre-Review)

Mandate definition

Development of Terms of Reference

Finalization and Issuance of RFP

Confirmation of Internal and External Actors

Formal launch of review process

Process (Review)

Formal Launch of Review Process

Inventory/baseline/status quo assessment

(Where are we at?)

Identification of criteria and expectations

(Where do we wish to go?)

Evaluation

(What is the gap between where we are at and where we wish to go?)

Recommendations for achieving goals

(How do we get to where we wish to go?)

Process (Post-Review)

Recommendations to for achieving goals

Review and adoption of recommendations

Development of implementation and action plan

Monitoring of implementation

Periodic review and assessment

Process

How long will the review take?

- There are many contingencies that can impact the length of time of the pre-review, review, and post-review stages. These include: how will public and stakeholders be engaged; formal processes for external consultants if they are used; the scope of the review itself; whether the review is global or staged.
- Timeline estimates that were initially presented were approximately the following:

  - Pre-Review – Can take approximately 6 months. You are part way through it.

  - Review – Can take approximately 4 – 6 months. Will vary depending upon scope of review, public/stakeholder engagement process etc.

  - Post-Review – Can take approximately 12 months. Will vary depending the nature and complexity of the recommendations, continuing public/stakeholder engagement etc.

Process

Key questions:

1. What main steps should be added?
2. What main steps should be deleted?
3. What are the key activities for each step?
4. How does the public participate in the steps?
5. How does Council/CSR Committee "check-in" to ensure there are no surprises?
6. How does Staff "check-in" to ensure there are no surprises?
7. What are the timelines for each stage, and for the steps?

SUMMARY

Summary

1. Have we gotten to where we hoped to?
2. What do we need to do more of to ensure success?
3. What are our next steps?