Agenda – Executive Policy Committee – May 10, 2006

REPORTS

Item No. 2 **Red Tape Commission - Recommendation No. 1 - "Guidelines and Principles to Prevent Future Red Tape"**
File GG-5

ADMINISTRATIVE RECOMMENDATION:

1. That the "Principles and Guidelines for Better Regulation", attached as Appendix A, be adopted to provide guidance to decision-makers in their efforts to reduce or eliminate existing red tape and to prevent future red tape.

2. That the Chief Administrative Officer be charged with the responsibility for acting upon the "Principles and Guidelines for Better Regulation".

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, in a manner reflecting the following list of priorities:

A. <u>April 2006 Phase</u>
Recommendation 1 Guidelines and principles to prevent future red tape

REPORT

Re: **Red Tape Commission Report: Recommendation 1 – "Guidelines and Principles to Prevent Future Red Tape"**

For submission to: **Executive Policy Committee**

Original report signed by: **Chief Administrative Officer**

Report date: April 25, 2006

Recommendation(s):

1. That the "Principles and Guidelines for Better Regulation", attached as Appendix A, be adopted to provide guidance to decision-makers in their efforts to reduce or eliminate existing red tape and to prevent future red tape.
2. That the CAO be charged with the responsibility for acting upon the "Principles and Guidelines for Better Regulation".

REPORT SUMMARY

Key Issue:

The "Principles and Guidelines for Better Regulation" should be recognized as a "framework" to guide action rather than as a set of hard and fast rules.

Implications of the Recommendation(s):

General implications:

	None
X	**For the organization overall and/or for other departments**
X	**For the community and/or organizations external to the City of Winnipeg**
	Involves a multi-year contract

Comment(s):

If adopted, this Recommendation will provide a framework to guide decision-makers in efforts to reduce or eliminate existing red tape and to prevent future red tape. The result should lead to improved service to the public.

Policy implications:

X	**No**
	Yes

Comment(s):

If adopted, this Recommendation will establish new criteria to reduce and/or eliminate red tape which *could lead to changes in civic policy*.

Regulatory implications:

X	**None**
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Comment(s):

If adopted, this Recommendation will establish new criteria to reduce and/or eliminate red tape which *could lead to changes in civic regulations*.

Human Resources implications:

X	**No**
	Yes

Comment(s):

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

REASON FOR THE REPORT:

At its meeting of March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, reflecting a list of priorities. One of these Recommendations was Recommendation 1, namely:

Recommendation 1

Adopt the following "common sense guidelines for better regulation in the City of Winnipeg" as policy, and the Winnipeg Public Service should adhere to these guidelines to prevent the creation of unnecessary red tape in the future.

It was directed that the report be submitted to the Executive Policy Committee for consideration in April 2006.

HISTORY:

On November 23, 2004, the Mayor officially established a Red Tape Commission, chaired by Councillor Franco Magnifico, to review City operations and regulations in order to improve customer service while granting administrators more freedom to innovate.

On June 28, 2005, the Red Tape Commission completed its work and submitted its final report containing 30 general recommendations with numerous more detailed sub-recommendations.

At its meeting of July 20, 2005, Executive Policy Committee received as information the Final Report of Mayor's Red Tape Commission dated June 28, 2005 and referred to the Chief Administrative Officer for review and recommendation a series of first phase recommendations of the Red Tape Commission.

At its meeting of March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, reflecting a list of priorities.

DISCUSSION:

The Final Report of the Mayor's Red tape Commission dated June 28, 2005 contains 30 recommendations, the first of which reads as follows:

Recommendation 1

Adopt the following "common sense guidelines for better regulation in the City of Winnipeg" as policy, and the Winnipeg Public Service should adhere to these guidelines to prevent the creation of unnecessary red tape in the future.

Beneath the recommendation is the following statement of intent: *"The Commission submits this recommendation to offer a framework to guide decision-makers in efforts to prevent future red tape."*

The Report includes a proposed policy with five components as follows:

Common Sense Guidelines for Better Regulation in the City of Winnipeg

Mission statement

"In good faith, and in a timely, facilitative manner, the City of Winnipeg will endeavor to provide excellent customer service and minimize red tape for all citizens, businesses and government."

Objectives of the Guidelines

- *To improve the City's customer service to citizens and business;*
- *To restrict and limit the creation of red tape through unnecessary regulation as part of an overall City effort to reduce the overall burden of red tape on citizens, business and government;*
- *To provide direction to all City of Winnipeg government departments, agencies and corporations and to ensure consistency in preparing all future regulations, amendments and related paperwork that affect citizens and business.*

"Regulatory requirement"

A regulatory requirement is any law, by-law, statute, policy or other directive that creates an obligation on citizens, businesses or administrators. A regulatory requirement can be a form that a citizen must fill out to access a service, a fee that a business must pay, or a rule that prescribes a certain activity for governments.

Principles

All regulatory requirements should be:

- *Developed and enforced in good faith*
- *Necessary for safety, security, health and citizen protection*
- *Effective in their use and application*
- *Transparent, simple and easy to understand*
- *Drafted or enacted in a manner that is accountable*
- *Fairly and consistently applied and enforced*
- *Affordable for government, citizens and business alike*
- *Consistent with other regulatory requirements*
- *Designed with the potential for electronic compliance in mind to reduce paperwork*
- *Targeted at the problem to avoid unintended side effects*
- *Proportional in balancing practical benefits, costs and risks*
- *Designed to avoid duplication with enforcement by senior governments*

Guidelines

1. *The City of Winnipeg will work with citizens and businesses to clearly identify the specific need for regulation and other potential means to address that need. The City will work with citizens and businesses to explore alternatives and ensure the least burdensome option for*

addressing problems is used. Alternatives can include better use of existing data or programs, better enforcement of existing rules, better cooperation with provincial or federal agencies, responsible models of accountable self-regulation and/or flexible, objective-based rules that allow for different routes to compliance. Advance information will be provided to those most affected by regulations so that thoughtful consultation will take place, and so relevant stakeholders can provide input into regulation and related matters.

2. *When it is determined that regulation is necessary, flexibility and innovation will be used to develop the most effective, efficient, equitable and appropriate regulatory requirements. If regulation is necessary, and not targeted to protect public health or safety, the City of Winnipeg will make a best effort to be "red tape neutral" and conscious of the existing red tape burden.*
3. *The cost and benefit of proposed regulatory requirements to government, citizens and businesses will be identified in regulatory impact statements which clearly identify the objective of the new regulatory requirement and how its effectiveness will be measured and reported.*
4. *Regulatory requirements will not duplicate or conflict with existing regulations in the City and Province. When business regulations affect businesses operating in several jurisdictions, the City will work with those jurisdictions to make regulations as consistent as possible, minimizing the cost and hassle of compliance.*
5. *New and amended regulatory requirements will be written concisely. Whenever possible, terms and definitions should be uniform and the drafting style should be consistent with other regulatory requirements to ease compliance and reduce potential confusion.*
6. *The paperwork burden will be minimized by avoiding duplication and complication in regulatory forms. Citizens and businesses should not be required to report information if it is already in the City's system. Online and other technologies should be used to ease compliance and increase transparency.*
7. *Departments, agencies and corporations will regularly review business regulations and statutes to question the objectives and effectiveness of existing regulatory requirements – and not simply to seek opportunities to create new red tape. "Sunset" clauses and expiration dates should be used whenever possible, but reviews should take place regardless. Not all types of regulations should be subject to the same level of review.*
8. *The final responsibility for acting on the guidelines should be assigned to the Chief Administrative Officer of the City of Winnipeg and her office, or some other appropriate central agency to ensure that all new regulatory requirements are considered through at least one body. The central agency or office that uses the guidelines and improves regulatory impact statements will play a key dual role as scrutinizer*

and advisor on red tape across government. The consistent support of a central agency will be crucial, leading to a systematic, internal cultural change in the City's approach to controlling red tape.

Administrative Response:

The administration is supportive of the intent of this Recommendation. The proposed mission, objectives, definition, principles, and guidelines have been reviewed and the administration recommends their adoption with a series of relatively minor modifications. The amended proposal which is recommended for adoption is attached to this report as Appendix A.

The differences between the version recommended for adoption by the administration and the version proposed by the Red Tape Commission are as follows:

- The overall format has been changed in order to be more consistent with the look and feel of other Council documents.
- The title has been shortened to "Principles and Guidelines for Better Regulation" for simplicity.
- A section called "Outcome and Purpose" has been added by reproducing the intent statement in the report together with the first objective.
- The mission statement has remained intact except that it is now called a "Guiding Statement" to avoid confusion with corporate or departmental mission statements.
- There are now only two objectives since the first was incorporated as part of the Outcome and Purpose.
- The second objective has been modified slightly to better reflect that this document is a guideline, not a directive, and intended to promote consistency, rather than ensuring it.
- The "Regulatory Requirement" title is now called "Definition". The definition was altered in order to clarify its application. The clauses of the first sentence were reversed. Also, the word "citizens" was replaced with "individuals" in order to include non-residents. Finally, when making the reference to fees the phrase "a fee that a business must pay" was changed to "a fee that must be paid" in order to have broader applicability.
- The second principle (now General Principle b) has been expanded to make clear the intent of minimizing regulation and to further recognize that the City is granted broader regulatory powers than those needed for safety, security, health, and citizen protection (heritage building designation, for example).
- The words "as possible" have been added to the fourth principle (now General Principle d) in recognition that, in spite of all efforts, some regulations may always be perceived as complex to the lay person (for example, the Building By-law and Building Code are necessarily complicated because they set out professional and trade standards).
- The eighth principle (now General Principle h) has been modified to include the desire to coordinate with other requirements and has been appended with the words "wherever possible" in recognition that this ideal may be difficult to achieve each and every time.
- The tenth principle has been split into two because it was felt that two different concepts needed to be captured (now General Principles j and k).

- The last principle (now General Principle m) has been modified to add the word "unnecessary" because there may be times when a duplicate regulation is, in fact, necessary (for example, to ensure that it remains in place even if the other level of government alters its requirements). As well, the concept of enforcement was expanded to include regulations and the term "senior levels of government" was replaced with "other levels of government" to include all orders of government including, for example, neighbouring rural municipalities.
- The "Guidelines" section now begins with the introductory clause "To the degree possible and where appropriate:" in order to reinforce the message that these are guidelines and not hard and fast rules.
- The first guideline (now Guideline a) was amended by specifying in the second sentence "…addressing *identified* problems…" for the sake of clarity. As well, the word "ensure" was replaced with "promote" to better reflect the nature of a guideline. Furthermore, the phrase "Where reasonable" was added to the beginning of the last sentence in recognition that this need not be necessary in all instances.
- The third guideline (now Guideline c) was changed by replacing the words "cost and benefit" with "implications" to make it clear that it is not simply a financial assessment but one that could have qualitative as well as quantitative components to it. Furthermore, the rest of the guideline was amended to more accurately reflect the recent adoption of the Red Tape Commission's Recommendation 28 by City Council.
- The fourth guideline (now Guideline d) was altered by stating "…will *attempt to avoid duplication*…" for the same reason the last principle was modified.
- The sixth guideline (now Guideline f) was modified to recognize that privacy legislation may limit the intent of the guideline.
- The seventh guideline (now Guideline g) was expanded to apply to all regulations not just those related to business and the word "regulation" was replaced with "regulatory requirement" in order to be consistent with the definition provided. Furthermore, the use of sunset clauses was elaborated to ensure that they are seen as means to an end and not an end in themselves.
- The last guideline has been removed altogether and is now covered by Recommendation 2 of this report which assigns responsibility for acting upon the principles and guidelines to the CAO. This was done to better reflect the intent which was more about assigning overall responsibility than about providing administrative guidance.

The administration is of the opinion that these modifications do not diminish the intent of the Commission's recommendation. These changes are proposed to increase clarity while ensuring that decision-makers are provided with a framework by which to reduce or eliminate red tape.

Financial Impact Statement

Date: April 6, 2006

Project Name:

Red Tape Commission Report: Recommendation 1

First Year of Program: 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

No additional financial implications associated with this report.

(Original signed by R. Abeysekera)
Manager of Finance & Administration
Corporate Services Dept.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Legal Services Division

THIS REPORT SUBMITTED BY:

CAO Secretariat
Division: Strategic Management
Prepared by: Gerry Couture
File #:

The City of Winnipeg

PRINCIPLES AND GUIDELINES FOR BETTER REGULATION

1. OUTCOME AND PURPOSE:

The “Principles and Guidelines for Better Regulation” are expected to result in improved customer service to citizens, businesses, and other orders of government by providing a framework to guide decision-makers within the civic administration in efforts to reduce or eliminate existing red tape and to prevent future red tape.

2. GUIDING STATEMENT:

In good faith, and in a timely, facilitative manner, the City of Winnipeg will endeavour to provide excellent customer service and minimize red tape for all citizens, businesses, and governments.

3. OBJECTIVES:

a. To restrict and limit the creation of red tape through unnecessary regulation as part of an overall City effort to reduce the overall burden of red tape on citizens, business, and governments.

b. To provide guidance to all City of Winnipeg government departments, agencies, and corporations and to promote consistency in preparing all future regulations, amendments, and related paperwork that affect citizens and business.

4. DEFINITION:

A regulatory requirement is an obligation on individuals, businesses, or administrators imposed by any law, by-law, statute, policy, or other directive. A regulatory requirement can be a form that a citizen must fill out to access a service, a fee that must be paid, or a rule that prescribes a certain activity of government.

5. GENERAL PRINCIPLES:

All regulatory requirements should be:

a. Developed and enforced in good faith
b. Imposed only when and to the extent necessary to achieve identified public policy objectives, including safety, security, health, and citizen protection
c. Effective in their use and application
d. Transparent and as simple and easy to understand as possible
e. Drafted or enacted in a manner that is accountable
f. Fairly and consistently applied and enforced
g. Affordable for government, citizens, and business alike
h. Consistent and coordinated with other regulatory requirements wherever possible
i. Designed with the potential for electronic compliance in mind to reduce paperwork
j. Targeted narrowly to address identified problems and achieve identified results
k. Thoughtfully developed to avoid unintended consequences
l. Proportional in balancing practical benefits, costs, and risks
m. Designed to avoid unnecessary duplication with regulations or enforcement by other levels of government

6. GUIDELINES:

To the degree possible and where appropriate:

a. The City of Winnipeg will work with citizens and businesses to clearly identify the specific need for regulation and other potential means to address that need. The City will work with citizens and businesses to explore alternatives that promote the least burdensome option for addressing identified problems. Alternatives can include better use of existing data or programs, better enforcement of existing rules, better cooperation with provincial or federal agencies, responsible models of accountable self-regulation and/or flexible, objective-based rules that allow for different routes to compliance. Where reasonable, advance information will be provided to those most affected by regulations so that thoughtful consultation will take place and so relevant stakeholders can provide input into regulation and related matters.
b. When it is determined that regulation is necessary, flexibility and innovation will be used to develop the most effective, efficient, equitable, and appropriate regulatory requirements. If regulation is necessary, and not targeted to protect public health or safety, the City of Winnipeg will make a best effort to be “red tape neutral” and conscious of the *existing* red tape burden.
c. The implications of proposed regulatory requirements to government, citizens and businesses will be identified in the “Regulatory Implications” section of administrative reports by clearly identifying the objective of the new regulatory requirement and how its effectiveness will be monitored and reported.

d. Regulatory requirements will attempt to avoid duplication or conflict with existing regulations in the City and Province. When business regulations affect businesses operating in several jurisdictions, the City will work with those jurisdictions to make regulations as consistent as possible, minimizing the cost and burden of compliance.

e. New and amended regulatory requirements will be written concisely. Whenever possible, terms and definitions should be uniform and the drafting style should be consistent with other regulatory requirements to ease compliance and reduce potential confusion.

f. The paperwork burden will be minimized by avoiding duplication and complication in regulatory forms. While respecting privacy legislation, citizens and businesses should not be required to report information if it is already in the City's system. Online and other technologies should be used to ease compliance and increase transparency.

g. Departments, agencies, and corporations will regularly review regulatory requirements to question their objectives and effectiveness – and not simply to seek opportunities to create new red tape. "Sunset" clauses and expiration dates may play a useful role in ensuring that these reviews take place, but reviews should take place regardless. Not all types of regulations need be subject to the same level of review.