Minutes - Executive Policy Committee - February 13, 2008

REPORTS

Minute No. 147 Business Plans by Service
File FE(2008)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee received as information the Business Plans by Service Report dated December, 2007.

DECISION MAKING HISTORY:

Moved by Councillor Swandel,
That the Business Plans by Service Report dated December, 2007, be received as information.

Carried

RE: Business Plans by Service

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: **Alex Robinson, Chief Administrative Officer**

REPORT DATE: February 1, 2008

RECOMMENDATION:

1. That the attached Business Plans by Service Report be received as information.

Report Summary

Key Issues:

- In March 2007, Council adopted its first service based budget. That budget included a description of the key goals for the service, key service statistics and information on how much the service would cost and how it was to be funded.

- The attached Business Plans by Service Report builds on that effort by providing additional service-based information. Each business plan includes a synopsis of policy direction, a discussion of the key factors influencing service delivery, a summary of goals and strategies and performance information.

- Service based information is intended to assist Council in strategic and policy based discussions around City Services, including discussion of priorities, value for money and alternative service delivery or alternative funding options. Service based information strengthens the link between planning, results and budgets and, it strengthens transparency and accountability because it is in a format more easily understood by the public.

- The organization of these Business Plans varies slightly from the service-based budget adopted in 2007. The most significant difference between these Plans and last year's service-based budget, is that these plans are organized by Standing Policy Committee – allowing each Standing Policy Committee to quickly refer to the service areas they govern. The 2008 service-based budget will also be organized by Standing Policy Committee this year.

Implications of the Recommendation(s):

General Implications

(**X**) None

( ) For the organization overall and/or for other departments

( ) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

Policy Implications

(**X**) No

( ) Yes

Comment(s):

Regulatory Implications

(**X**) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(**X**) No

( ) Yes

Comment(s):

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):

Report

REASON FOR THE REPORT:

On October 19, 2005, the Chief Administrative Officer was directed by Executive Policy Committee (EPC) to prepare a service based budgeting report for submission to the Executive Policy Committee.

HISTORY:

On March 20, 2007, Council adopted a Service Based Budget which provided financial information on a service basis and included service goals and statistics. Therein, there was a commitment to present further service-based information focusing on more information relative to policy direction, service goals and strategies and performance information.

The attached Business Plans by Service Report builds on that effort by providing additional service-based information. Each business plan includes a synopsis of policy direction, a discussion of the key factors influencing service delivery, a summary of goals and strategies and performance information.

DISCUSSION:

Municipalities across Canada are now providing more robust service and performance information in order to assist Councils in strategic planning and budgeting and to improve overall transparency and accountability. The Municipal Performance Measurement Program (MPMP), for example, requires Ontario municipalities to measure and report to taxpayers on their service delivery performance. Municipalities in New Brunswick, Quebec, British Columbia, the Territories (and soon Nova Scotia) are also required by legislation to report on performance. Although not required, Calgary and Edmonton incorporate a number of performance indicators in their budget and accountability documents.

A recent study conducted by the City of Ottawa (2004) reviewed the best financial reporting practices of 14 municipalities. While the study found no single municipality demonstrates best reporting practices in every area, it identified the following best practices:

- Socio-economic information and linkages to strategic plans as context for budget decisions
- High level budget summary information including revenues and expenditures by type and service
- Service impacts of budget changes from year to year
- More prominence given to revenue detail by service and by revenue type
- Incorporation of performance indicators and comparisons with other cities
- Making budget documents and reports more user-friendly

The objective of the study by Ottawa was to recommend a financial reporting framework that would “move the City from financial reporting that is geared toward meeting financial

requirements to reporting that is focused on the needs of Council and the public." It was further acknowledged in their study…

> "that City of Ottawa financial reports have led to its recognition as a well managed, fiscally disciplined and responsible organization by international agencies like Moody's Investor Services and the Dominion Bond Rating Service. However, these same kinds of reports have been found by Council and the public to be hard to understand, and not inclusive of all of the information they would like to see prior to making budget decisions."

Consistent with Executive Policy Committee's direction, the Winnipeg Public Service has been aligning business planning, performance measurement and budgeting efforts to provide a service-based view of the organization. The objective of the service-based view is to provide information about the services the City provides, in a language that makes sense to citizens. The information is intended to enhance the City's transparency and accountability and begins to create greater linkage between plans, results and budgets. The information is intended to assist Council in strategic and policy based discussions around City Services, including for example, priorities, value for money and alternative service delivery or alternative funding options.

The attached Business Plans by Service Report includes a business plan for each City service. Each Plan includes a synopsis of policy direction, a discussion of the key factors influencing service delivery, a summary of goals and strategies and performance information. Each Plan answers questions such as:

- What service(s) does the City provide?
- What level of service is provided?
- How satisfied are citizens with each service?
- How efficient and effective is the service?
- How is each service linked to Council policy, including Plan Winnipeg?
- What are the key service goals and what strategies are currently planned to accomplish these goals? And, are the linked to Council's priorities?

In the coming months, service-based budget information will be prepared (like in 2007) that will provide information on what each service will cost and how it will be funded. It is important to note that the organization of these Business Plans varies slightly from the service-based budget adopted in 2007. The most significant difference between these Plans and last year's service-based budget, is that these plans are organized by Standing Policy Committee – allowing each Standing Policy Committee to quickly refer to the service areas they govern. The 2008 service-based budget will also be organized by Standing Policy Committee thereby providing full alignment – service plans, performance information and budgets, by Standing Policy Committee.

The Business Plans by Service Report provides reference information that is intended to support Council in strategic and policy discussions:

- What services should the City provide?
- Are citizens getting full value for the cost of a service?
- Are there alternative methods of delivery of or funding for a service that should be considered?
- Are changes required to the level of service provided, and if so, what are the cost and funding implications?
- Is there clear policy direction for the service, and is the service provider responding with appropriate goals and strategies?

- How effectively are the service goals being achieved? And, what difference is the service making to quality of life in Winnipeg?

These Business Plans will change based on Council direction, including direction provided through the upcoming budget process.

Council feedback on this report is very important to ensuring that future reports are useful. The Public Service will continue to refine performance information with emphasis on efficiency and benchmarking. Over the next few years and through the implementation of 311, performance measurement relative to customer service and City responsiveness will become more robust.

Financial Impact Statement

Date: February 1, 2008

Project Name:

Business Plans by Service

First Year of Program **2008**

	2008	2009	2010	2011	2012
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:

There are no financial implications to this report.

(Original signed by R. Abeysekera)

Radhika Abeysekera
Manager of Finance & Administration
Internal Services Dept.

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

All Departments were involved in preparing their respective business plans by service.

External Consultation With:

None

THIS REPORT SUBMITTED BY:

Department: CAO Secretariat
Division: Strategic Management
Prepared by: Connie Walker
File No.



Business Plans by Service - 2008-2010(