

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 19, 2013

Item 2, Report No. 13, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on November 19, 2013.

2 PROPOSED SCHEDULE OF OPERATIONAL REVIEWS

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Innovation and Continuous Improvement, dated November 4, 2013, be approved; and**
- 2) That the presentation by the Director of Innovation and Continuous Improvement entitled “*Proposed Schedule of Operational Reviews*” dated November 4, 2013, be received.**

Recommendation

The Director of Innovation and Continuous Improvement, in consultation with the Commissioner of Strategic and Corporate Services, recommends:

- 1) That the proposed schedule of operational reviews be approved.

Contribution to Sustainability

Organizational sustainability can be defined as “the enduring challenge to achieve long-term success while having a positive impact on the society and the environment in which the organization lives and works” [Chartered Quality Institute]. A sustainable organization strives to understand its stakeholders’ needs and expectations in the present and the future and then ensures that the necessary operating / organizational frameworks are put in place.

The City provides residents with more than 200 programs and services. The Department of Innovation and Continuous Improvement (ICI) has been mandated to conduct operational reviews of these programs and services as a means of ensuring that stakeholder expectations are understood and addressed efficiently and effectively. Operational reviews thus become a mechanism to identify service delivery gaps and opportunities to develop new service delivery models while ensuring that services are delivered as efficiently and cost effectively as possible.

Economic Impact

There are no economic impacts associated with this report.

Communications Plan

No additional communication is required.

Purpose

The purpose of this report is to provide Council with the proposed schedule of operational reviews for the years 2013 – 2018.

Background - Analysis and Options

City Programs

In 2011, the City conducted a program review that identified more than 200 programs and services provided to residents and other stakeholders. The programs were categorized as being mandatory (i.e., required by legislation), standard (i.e., traditionally provided by most municipalities) or premium (i.e., provided by very few municipalities).

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The review utilized a methodology in the review that categorized the programs as follows:

| Category | Programs | | Expense (2012 Budget) | |
|-----------|----------|------|-----------------------|------|
| | # | % | \$M | % |
| Mandatory | 30 | 15% | 33.6 | 18% |
| Standard | 141 | 69% | 145.3 | 77% |
| Premium | 33 | 16% | 10.3 | 5% |
| | 204 | 100% | 189.2 | 100% |

The complete list of City programs identified in 2012 is provided in Attachment #1. Since the initial review, the list of programs has been amended from 204 to 210, to reflect recent changes to commissions and to include programs that are funded from sources other than taxes (e.g., water and sewer services).

Operational Reviews

Operational reviews are one of the tools used by the Innovation & Continuous Improvement department that will assist Commissions and Departments across the City to:

- Identify opportunities to enhance the client and resident experience, for both external and internal interactions;
- Understand stakeholder expectations associated with services, i.e., what level of service should we deliver;
- Ensure that the City is focused on the right things with respect to stakeholder expectations, i.e., are we being effective;
- Assess the way in which expected services are being delivered, i.e., are we being efficient; and,
- Develop a deep understanding of the drivers and levers of service delivery costs, i.e., are we using taxpayers' funds wisely.

Additionally, operational reviews provide an opportunity to identify where gaps exists and where it could be possible to deliver services in new or different ways, leverage new technologies and understand any risks or impacts associated with any changes to service levels.

For the purposes of operational reviews, the programs have been grouped together into service streams that will facilitate the evaluation of all elements of program delivery from clarifying expectations and requirements, through operations to performance measurement. This approach will ensure that the review takes a resident / stakeholder / customer perspective, rather than an internal department or commission perspective, to the service. For example, an operational review of Winter Control Programs would include services provided by Public Works (e.g., Road Snow Removal) and Parks & Forestry Operations (e.g., Path / Sidewalk Snow Clearing).

The complete list of service streams, together with how they are aligned with the city programs, is provided in Attachment #2.

An overview of the phased approach to an operational review is provided in Attachment #3.

Schedule of Operational Reviews

Consolidating the programs into themes has resulted in the identification of 32 service streams and it is anticipated that it will take 6 years to complete an initial cycle of operational reviews of all service streams.

In developing a schedule for the reviews, the Innovation & Continuous Improvement department has taken the following factors and constraints into account:

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- challenges, concerns and issues with respect to particular services raised by Council or the Senior Management Team;
- the scale and scope of the service stream – i.e., the number of departments that need to be engaged, the number of interactions with stakeholders;
- the impact on Commissions and departments – i.e., how to minimize the interruption of service delivery during an operational review;
- alignment with Internal Audit – i.e., ensuring that the operational review approach supports the Internal Audit focus on financial control and enterprise risk; and,
- the size of the ICI department – i.e., how many reviews can each consultant manage, facilitate and support.

The proposed schedule for operational reviews is provided in Attachment #4.

Relationship to Vaughan Vision 2020/Strategic Plan

“Additional Operational / Business Reviews” have been identified as one of the prioritized strategic initiatives within Vaughan Vision 2020 with a focus on ensuring a high performing organization.

The proposed schedule for operational reviews outlined in this report by the Innovation & Continuous Improvement department provides a framework for how this strategic initiative will be addressed.

Operational reviews directly link to the three goals of the City’s strategic plan: by assessing programs and services we are striving for ‘Service Excellence’; by implementing outcomes and recommendations from the reviews, we achieve ‘Organizational Excellence’; and, by engaging and working with staff in various departs who deliver these programs and services, we enable knowledge transfer and empower ‘Staff Excellence’.

Regional Implications

An operational review will identify any key linkages with other levels of government and ensure that these linkages are understood and that a framework for effective engagement is developed.

Conclusion

In its Vaughan Vision 2020 Strategic Plan, the City has identified operational reviews as being a priority strategic initiative. Additionally, with over 200 programs and services delivered to residents and other stakeholders, a consistent, realistic and feasible approach is necessary in order to conduct these reviews.

The Innovation & Continuous Improvement department has been mandated to work with other Commissions and departments to develop an approach for operational reviews and to facilitate, manage and support the successful completion of the reviews. The schedule of operational reviews presented in this report will enable the City to:

- conduct operational reviews on priority areas;
- ensure that delivery of current services to residents and other stakeholders are not negatively impacted during the review;
- align operational reviews with initiatives or reviews conducted by Internal Audit; and,
- implement an on-going cycle of operational reviews.

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Attachments

Attachment #1: Program Index and Description – 2011

Attachment #2: Service Streams and Programs

Attachment #3: Operational Review Approach

Attachment #4: Schedule of Operational Reviews

Report prepared by:

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)