

# Executive Committee Report April, June and November, 2005

File No.

To: Members,  
Executive Committee

Re:

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### BACKGROUND

In early 2004 City Council undertook an independent review of the City of Regina and Regina Police Service operations. The reasons for the review were:

- To obtain an external opinion about the operations provided by the City and Police Service;
- To try to ensure that the City and Police Service were doing the right things for the right reason, the right way;
- To gather suggestions for improvement from all employees;
- To provide more focus to the decision making process to pursue City Council's vision;
- To find any efficiencies or savings that were available; and
- Because the status quo is no longer a viable option for this organization.

Continuous improvement requires the organization to challenge the status quo on an ongoing basis because:

- Similar to all service organizations, this organization is experiencing increasing demands and expectations from citizens in a changing urban environment;
- Maintaining current service levels and/or adding new services without adding revenue is not sustainable;
- Changes to the workforce (mostly due to retirements) will result in changes to the employee base over the next few years;
- The organization is experiencing increased liabilities and infrastructure deficits;
- The organization is experiencing dwindling reserves and limited revenue growth; and
- The effort expended on the budget preparation process is extensive as compared to the resulting changes.

In response to the desire to challenge the status quo, the City of Regina in cooperation with the Regina Police Service engaged TkMC Management Consultants to perform a Core Services

Review. The program specific goals of the Core Services Review were:

- To validate current programs and deliverables;
- To validate work processes;
- To become more accountable to citizens;
- To link corporate strategic priorities to the extent that they are articulated; and
- To position the organizations for future innovation.

At the January 24, 2005 City Council meeting, TkMC officially presented City Council with the Final Report: *Core Services Review, Choices for Redefining Excellence*. City Council also dealt with report CR05-19 from Executive Committee: Core Services Review – Report Release, Communication Plan and Work Plan. At that time Council approved the following motion:

“The City Manager develop a work plan for consideration by the Executive Committee in March 2005.”

This report outlines a work plan for consideration by Executive Committee. Although Executive Committee is the primary audience for this report, the document will also be used to communicate next steps to all managers within the organization.

## DISCUSSION

TkMC’s final report on the Core Services Review outlined choices and opportunities that will assist the City of Regina now and in the future. Specifically on page three of the Executive Summary TkMC provides the following recommendation:

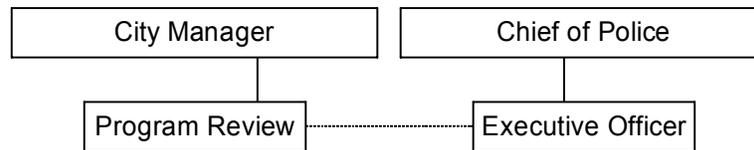
“TkMC recommends that the first two actions involve the development of a Regina Strategic Plan and the Establishment of a Program Management Office (PMO) to act as the clearing house for the organization, control, management and reporting of the individual projects.”

The Program Review Office within the City Manager’s Department was established in 1999 and has the responsibility to provide program review support to the various City departments as well as facilitation support for corporate reviews and initiatives. Program Review, with the support of the departments, was responsible for working with TkMC on the Core Services Review. Over the next several years, focus for the Program Review Office will be to steward and facilitate the integration of the results of the Core Services Review into the continuous improvement initiatives for the organization. Program Review, under the direction of the City Manager and in consultation with the Department Heads, will be responsible for the coordination of the strategic alignment program for the organization, and in a parallel process, initial stewardship of the review of opportunities outlined in the Core Services Review report. Over the longer term the initiatives that resulted from the Core Services Review and various other opportunities to strive for continuous improvement will become part of the everyday business for the City of Regina.

The City of Regina and the Regina Police Service approached the Core Services Review as a fully integrated project from the start of the initiative and this integrated approach will continue to take full advantage of the “interdependencies” that exist between the two organizations. Program Review will maintain responsibility for contact with the Police Service, as outlined in the organization chart below, on a “program basis,” ensuring stewardship and accountability.

Specific opportunity reviews that include both organizations will be assigned to experts who can add the most value to the resolution of the initiative.

#### Program Management Structure



Throughout the month of February, Program Review conducted feedback sessions with the various departmental and divisional management teams that make up the City of Regina's corporate management team. More than 100 managers, general managers and department heads provided suggestions and ideas on methods that departments and the corporate management team could use to move along the road of continuous improvement, the premise on which this organization is based.

The management team's desire is that the organization initiate a process to align the strategic objectives of the organization with City Council's vision. Managers also see the need to address the opportunities for improvement gathered through the review process as part of the City of Regina's commitment to continuous improvement. One of the most critical elements following the review process is that actions and activities become integrated into the day to day operations and culture of the organization continuing the focus on continuous improvement that already exists.

The remainder of this report will be dedicated to outlining the next steps required to commence with two concurrent processes.

- A strategic alignment process for the organization (PART I – Strategic Alignment);
- Address both the improvement opportunities provided in the Core Services Review and other opportunities for improvement identified by the departments, and integrate them into the daily operations of the various service areas (PART II – Opportunities for Continuous Improvement).

### **PART I – Strategic Alignment**

The meetings with the management teams within the City of Regina identified that a strategic planning process for the City of Regina should achieve the following objectives:

- Create shared direction for the entire organization (City Council and Administration);
- Align the organization with City Council's long-range vision for Regina;
- Provide a clear link from the vision all the way to divisional business plans;
- Create a visible, consistent and sustainable framework which all other initiatives can support and promote;

- Create common understanding and language that can be used to communicate desired direction throughout the organization and with the community; and
- Support an environment of continuous improvement.

### **Corporate or Community Based**

The first step in strategic planning for the City of Regina is to determine the most appropriate process to use. Specifically, should the process be corporate or community based?

A community based strategy begins with extensive community needs assessment through focus groups and surveys. The process to actually build the strategy based on that feedback probably includes some citizen members on a committee that includes representation from City Council and the Administration. That committee would be tasked with the actual architecture of the strategy. The strategy would then go through a validation process with the community, City Council and the Administration.

A corporate based strategy process could be developed without specific involvement of the community at the initiation and architectural stages of development. The organization has information gathered from various sources, including previous omnibus surveys and the TkMC community input process, to use as a basis for building the strategy. In addition, the Mayor's Task Force on Regina's Future is involved in a process that is addressing community strategies and sustainability outcomes.

Given the vision statement, the community information previously gathered and the work underway with the Mayor's Task Force, the Administration is proposing that the first stage of the strategic process take place internally.

Currently the planning initiative has support and enthusiasm within the management team. Delaying it by building a community aspect into the process will wear on that enthusiasm and support and could affect success. In future years, after the initial corporate plan has been established and is operational, it may be very useful to build more extensive community involvement into the City's process.

Regardless of the process chosen, the Administration will commence with research of the strategies and planning processes used in other municipalities. The research will provide information and background on the success of the methodologies used as well as provide insight into the issues and focus that strategies are taking in similar organizations.

### **Responsibility: City Council and/or Administration**

The next question to be asked is who has responsibility for the architecture of the strategy?

In section 6.2 on page 33 of the *Final Report: Core Services Review, Choices for Redefining Excellence*, TkMC's provides the following:

“Council, the Board of Police Commissioners and the respective Senior Management groups must create a shared commitment to the change process. Council's role is to define the strategic plan for the City and develop the policy framework for the evaluation and decision making related to strategic direction. The development of the plan and policy is supported and implemented by Senior Management.”

TkMC's advice is that City Council should be responsible for the strategic planning with the support of Senior Management. In November of 2001, City Council took the first step towards the development of the strategy by creating a long-range vision statement for Regina.

A vision for Regina says that by 2010 Regina will be:

- A city of 250,000 citizens, within a region of 300,000;
- A city where people grow together;
- A city recognized for its economic, social and environmental sustainability;
- A city that is the hub of a region of diversified economic growth;
- A city that is people centred;
- A city of inclusiveness, that celebrates its cultural diversity;
- A city where Aboriginal people participate fully in economic and community affairs;
- A city that people are drawn to because of its quality of life;
- A city that is attractive, generous, affordable, accessible, compact and competitive;
- A city where seniors can retire in security and young people can thrive in opportunity;
- A city that is plainly "a good place to live."
- At the centre of the vision is the word "prosperity."

The articulation of the vision was the first step in the development of the strategy and provides the foundation that is required to move forward with developing statements of strategic alignment that can result in a strategy for the City of Regina.

The next step is the development of the statements of strategic alignment that will form the strategic link from the vision for Regina to services provided by this organization. There are two options to undertake the development of the statements of strategic alignment. City Council could undertake a strategic planning process that includes the development of statements of strategic alignment or alternatively, the Administration could develop the statements of strategic alignment that Council could then adopt as the basis for their strategic plan.

It is recommended that the Administration be responsible for next steps. The Administration, led by the City Manager will undertake a process to develop statements of strategic alignment that will form the strategic link from the vision for Regina to services provided by this organization within this community every day. These statements of strategic alignment will be presented to City Council for adoption. Through this validation process City Council will be able to adjust the statements as necessary and eventually use them as the basis for the strategic plan for the organization of the City of Regina.

This ensures the engagement of both City Council and the Administration in the process. It provides the Administration an opportunity to provide valuable input and influence to the process while respecting City Council's decision making authority for the organization's strategic direction.

The remainder of this section of the report will focus on more specific actions that will take place to accomplish the development of the statements of strategic alignment.

## **Facilitation and Terms of Reference**

Undertaking an initial strategic planning process for an organization such as the City of Regina is a huge undertaking and requires significant thought, cooperation and commitment to achieve. The first step will require the development of the Terms of Reference to initiate the process of establishing the statements of strategic alignment.

The Terms of Reference document should include a methodology to engage in the strategic alignment process. The methodology will be shared with the participants and adjusted to meet the needs of the group. The methodology should be flexible in nature and adjustable at the various milestones to ensure that it meets the organization's needs. At each milestone the process used to date and the suggested next steps should be reviewed to ensure that the methodology consistently meets the organization's needs.

A critical and complex process such as this requires an external facilitator specializing in strategic planning. Because of resource constraints and to ensure that the facilitator understands the organization and what they are expected to deliver it is desirable to have the facilitator do the background work for and actually develop the Terms of Reference for the strategic alignment process.

## **Participants in the Strategic Alignment Process**

As already indicated it is recommended that the Administration be responsible for the development of the statements of strategic alignment. Those statements, based on the vision for Regina, will become City Council's foundation for an organizational strategic plan.

There are several options for who from within the Administration should be involved in the development of the strategic alignment. It would be possible for the City Manager to develop the statements of strategic alignment. Another option would have the City Manager and the department heads responsible. Various other options include the involvement of different levels within the organization up to and including front line staff.

Recommended participants include the City Manager, all department heads and selected key managers from all departments. For the most part, the managers involved will be the General Managers. In some cases it will be other managers within the department who play a key role within that department.

There are significant benefits to this level of engagement. Previously this report indicated that due to retirements the employees responsible for this organization will change. Providing managers the opportunity to work with the department heads provides them with a growth opportunity and allows them to participate and provide input at the highest level in the development of the statements of strategic alignment. It provides them with an opportunity to work and learn together across the organization and not just within their own departments. It provides them with the first hand knowledge that they, in turn, must impart on the service area managers and it will assist them with the development of the tools they require to help the service area managers work with the front line staff.

The Chief of Police for the Regina Police Service will also be invited to participate in the strategic alignment process. The Regina Police Service and the City of Regina work closely together on many initiatives and obviously it is essential to ensure that the City of Regina and the

Regina Police Service strategic plans dovetail or complement each other. The most appropriate first step to ensure that occurs is to include the Chief of Police in strategic planning discussions.

### **Other Considerations**

There are a number of other factors that need to be considered or at least acknowledged as part of this process:

***Past Strategic Planning processes have not been successful.*** This is a given and should be acknowledged as a risk.

***Impending Organizational Change.*** The impending retirement of the Director of Finance and the anticipated retirement of the City Manager have to be considered as part of this process. There are both advantages and disadvantages to commencing this process now. There is strategic leadership and significant corporate knowledge that contribute to the overall success of this initiative. Changes in leadership, however, often bring changes in direction. The initiative needs to survive current leadership and be led by the new management if it is to succeed. While the transition risk is acknowledged, the Administration believes it is better to begin than to delay.

***Readdress Core Continuum, Corporate Ranking and Key Performance Indicators (KPIs).*** These were introduced by TkMC during the review process but were not completed. These items could be revisited following the development of strategic alignment to ensure that the direction and strategy defined guide any future use of the continuum and drive any choices related to levels of service provision. KPIs should link to the overall direction and flow through corporate, department and divisional strategies. The development of useful KPI's will require the strategic planning process to be completed before any additional work is done.

***Front Line Staff and Community will not see an immediate impact from the Core Services Review.*** This will continue to be a challenge to address. The development of statements of strategic alignment and eventually the development of a strategic plan will take some time. The open and transparent communication process used throughout the review will continue and both internal and external communication objectives and strategies will be a key consideration as the process moves forward.

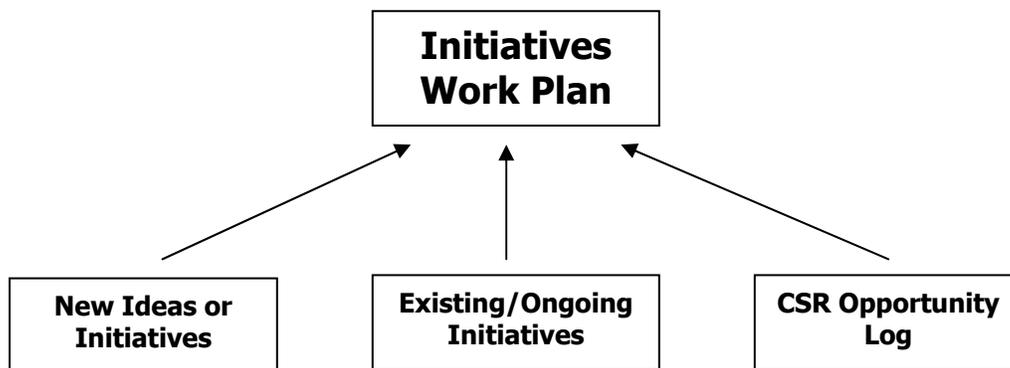
***Strategic Planning is not a Solution.*** Ronald A. Gunn (Strategic Futures) in his article "*An Organization that Doesn't Plan its Future Isn't Likely to Have One*" indicates that strategic planning can assist an organization to establish clear priorities, do proactive problem solving, develop commitment to common purpose and set organizational direction. In addition, a good strategic plan will set the stage for effective decision making. It will ensure consistency in decision making and allocate resources most effectively in areas such as staff, equipment, facilities, service changes and systems. It will not replace the requirement for decision making with respect to the services the organization should provide or at what level those services should be provided.

## **PART II – Opportunities for Continuous Improvement**

The Core Services Review final report provides a log of more than 1200 opportunities submitted by employees (as suggestions) and management (through the template process). Commitments were made to consider each and every opportunity. By addressing each of the opportunities over time, the City of Regina will be meeting our collective desire to hear from all employees.

Addressing the simpler more tactical opportunities in 2005 will ensure some “small, quick wins,” and indicate commitment to continuous improvement to employees and the community. The strategic alignment process will also provide appropriate foundation and direction for the more strategic initiatives that will be undertaken over the longer term.

This section of this report outlines in summary a recommended procedure for addressing all of the opportunities outlined in the Core Services Review as well as any other continuous improvement initiatives that are already underway or that can be undertaken over the next number of years. It is intended that the opportunity review commence immediately and work continue in parallel to the process of developing the statements of strategic alignment. Initial analysis of all initiatives for improvement currently underway or contemplated along with those outlined in the Core Services Review Opportunity Log will result in a corporate work plan to deal with all the initiatives.



### **What does the Opportunity Review Process Look Like?**

There are several types of opportunities included in the opportunity log:

- Strategic corporate initiatives involving all departments;
- Strategic corporate initiatives that affect several departments;
- Strategic single department initiatives;
- Tactical initiatives involving several departments;
- Tactical (or process related) initiatives related specifically to one department;
- Initiatives that are really more conceptual and informational than practical to implement; and
- Initiatives that have been reviewed and already abandoned for various reasons including Council decisions.

Some of the opportunities included in the bulleted list can be reviewed and if appropriate, implemented quickly. Others will take a significantly longer time to review and then implement. Some will not be implemented. In addition to the opportunities in the logs, other opportunities for continuous improvement will continue to evolve and be part of the work plans for the various departments.

Departments will prioritize opportunities that are department specific and tactical in nature. This will provide the basis of a more specific short-term work plan for the department and service area concerned.

Program Review will work with the Senior Management Team to review and prioritize the corporate and strategic initiatives. Some of these opportunities have been raised before and may require specific direction from City Council. Others may require consideration in light of the strategic alignment statements.

Recommended deliverables include:

- An integrated continuous improvement process;
- Opportunities sorted and assigned to themes and departments;
- Strategic and corporate opportunities prioritized; and
- Tactical opportunities prioritized within departments.

In more detail the process will include:

### ***Department Specific Initiatives***

Departments review and prioritize department specific opportunities:

- Review, identify and document:
  - What's been tried and when with a brief description of why the initiative did not proceed;
  - Items that have been implemented or are in the process of implementation;
  - Other priority initiatives currently planned or underway that were not listed in the opportunity log;
  - Links to other initiatives; and.
- Prioritize and recommend next steps.

### ***Strategic/Corporate Initiatives***

Senior Management Team review and prioritize strategic/corporate initiatives:

- Identify links to initiatives currently underway or planned;
- Prioritize and recommend next steps (this stage in the process may need to follow strategic planning process);
- Establish long-term work plan for opportunity review for Program Review, departments and cross-functional work teams as appropriate.

### ***Communication and Engagement Principles***

Strategies used during this process need to achieve the following objectives:

- Communicate progress and next steps;
- Share wins and accomplishments as they occur; and
- Continue employee engagement where appropriate.

There is significant work required to address the opportunities. There are numerous “interdependencies” that exist between individual opportunities and the corporate/strategic initiatives identified by TkMC and these relationships are being mapped and linked to ensure the process is as efficient and effective as possible. In addition, there are numerous opportunities that, although they need to be dealt with by individual departments, tell a significant story when categorized together. For example, although specific departments need to deal with the specific opportunities related to new revenue, it is beneficial to communicate the list of ideas for new revenue strategically within the corporate improvement initiative of a corporate revenue strategy.

There are also a number of cross-departmental or corporate opportunities that need to be addressed. These opportunities, besides potentially improving processes within the organization, provide a real opportunity to establish and solidify relationships among and between departments. In addition, some of these opportunities require that the City of Regina and Regina Police Service work together to review opportunities and where possible implement change that can improve operations within both organizations.

Program Review will maintain responsibility for stewardship and facilitation of the opportunity review process and may be assigned responsibility for project management for some cross-departmental or organizational initiatives. Departments will be responsible for the actual work required to review specific initiatives. Program Review will be responsible for reporting progress in general to Executive Committee and throughout the organization. The departments will be responsible for reporting specific results to the standing committee to which the particular department is responsible. Standing committees will review results with the departments, make decisions on those items that fall within their delegated authority, make recommendations to City Council on those items that they are required to forward and provide direction on specific items. That specific direction can include things such as the requirement for public input for the resolution of specific initiatives.

Significant work has already been done to map and categorize the opportunities included in TkMC's report. These will be provided to departments very soon and those opportunities that departments will deal with in 2005 will be identified. In the fall of 2005 each department will provide a report to the associated standing committee outlining progress on the specific initiatives and any implications for the 2006 budget year.

### **Other Considerations**

As with the strategic planning process, considerations and questions will arise as the process moves forward. The first of these is a requirement to take advantage of the momentum gained through the "suggestion process" used during the review and develop a continuous process to solicit improvement ideas from employees.

### **BUDGET IMPLICATIONS**

Program Review's operating budget for 2005 has already been increased marginally to cover the cost of additional administration related to the Core Services Review. The 2005 operating budget does not include funding for the external facilitation that will be required to support the strategic alignment process. The Core Services Review Project in 2004 (funded from the General Fund Reserve) was under budget. The project was approved at \$400,000, but actual amounts totaled \$350,000. This report indicates that a facilitator will be hired to provide support to the Terms of Reference and the actual strategic alignment process. The process will be flexible and open to change. For the purpose of budgeting, the Administration recommends that \$50,000 from the General Fund Reserve be approved for the strategic alignment process.

Budget implications related to specific opportunities will be addressed when those opportunities are brought before the specific standing committee.

## COMMUNICATION PLAN

The open and transparent communication process developed for the Core Services Review will continue to be used to promote the strategic alignment process and provide information on different improvements undertaken as the organization continues along the path of continuous improvement. Updates and progress reports will continue to be provided on an ongoing basis using existing communication methods available within the organization. These include:

- InSite updates;
- Newsletter process used during the Core Services Review;
- Articles in department specific Newsletters (Parks and Open Space Management's *The Park Bench*, Engineering and Works' *The Works*, Transit's *In the Bus Lane* and Fleet's *Fleet Side*);
- Management Communication; and
- Progress Reports through Executive Committee.

This report, although provided to Executive Committee privately, has been shared with the entire City of Regina management team. They were involved in the development of the recommended approach discussed in this document and will be responsible for continuous improvement within the organization.

Although this process will communicate progress, some front line employees may not see a real impact on what they do each day. Managers and supervisors will play a key role in maintaining open lines of communication and engagement especially as the strategic planning process continues.

The information in this report will be communicated to employees, the general public and stakeholders through established processes and will be available with an appropriate update on the City of Regina website. In that regard it is recommended that this report go forward to the May 16 City Council meeting, providing adequate time to communicate with employees.

## ENVIRONMENTAL IMPLICATIONS

There are no specific environmental implications related to this report. Environmental implications related to specific opportunities will be addressed when the opportunities are brought before the specific standing committee.

## DELEGATED AUTHORITY

An edited version of this report will be forwarded to City Council for final approval. As discussed in the Communications Section, it is recommended that this report go to the May 16 City Council meeting to allow ample time to communicate with employees before this report becomes a public document.

## CONCLUSION

In 2004 City Council undertook an independent review of the City of Regina and the Regina Police Service. On January 24, 2005 TkMC formally presented City Council with their Final Report: *Core Services Review, Choices for Redefining Excellence*. In their report, TkMC

indicated that the two most important first steps that the City of Regina should take moving forward is to develop a Regina Strategic Plan and establish a Program Management Office.

The Program Review Office within the City Managers Department will be responsible for the program management duties as outlined in TkMC's report. Over the next several years, focus for Program Review will be to steward and facilitate the integration of the results of the Core Services Review into the continuous improvement initiatives for the organization.

The report outlines the next steps required to concurrently commence with:

- A strategic alignment process for the organization (PART I – Strategic Alignment);
- Address both the improvement opportunities provided in the Core Services Review and other opportunities identified by the departments, and integrate them into the daily operations of the various service areas (PART II – Opportunities for Continuous Improvement).

The report recommends an internal process to undertake a strategic alignment process with the Administration using Council's vision for Regina as a foundation to develop statements of strategic alignment that City Council, in turn, can use as a basis for strategic planning. The report outlines the requirement to engage an external facilitator to develop the Terms of Reference and facilitate the Senior Management team, Chief of Police and selected key managers through a process to develop the statements of strategic alignment.

The plan for dealing with the opportunity logs is also outlined in this report. The process to sort and prioritize opportunities is underway. Some smaller more tactical opportunities will be reviewed and, if appropriate, implemented over the next number of months. Other more strategic and more involved opportunities will be reviewed over a longer period of time. Some opportunities that are more strategic in nature may be deferred until such time as the strategic plan is in place and prioritization decisions can be made in context of the plan. It is possible as well, that some opportunities, after having been reviewed will not be implemented. In the fall of 2005 each department will be providing a report to the appropriate standing committee outlining their progress to review and implement initiatives and outlining any budget implications for 2006.

## RECOMMENDATION

Your Administration would recommend that:

1. Executive Committee recommend the approach outlined in this report to City Council and the City Manager be authorized to pursue the engagement of an external facilitator to assist the Administration with the development of statements of strategic alignment with a budget approval of \$50,000 from the General Fund Reserve;
2. The City Manager provide interim progress reports to Executive Committee outlining progress on the development of statements of strategic alignment and overall general progress on the review and implementation of opportunities for continuous improvement;
3. Departments provide progress reports to associated standing committees in the fall of 2005 outlining specific progress on opportunities for continuous improvement and any related implications for the 2006 budget;
4. An edited version of this report be forwarded to the May 16 City Council meeting; and
5. This item be removed from the Executive Committee list of outstanding items.

Respectfully submitted,

Respectfully submitted,

Name of GM or Mgr, Manager  
What is the division?

A. R. Linner,  
City Manager