



Committee of the Whole Report

For the Meeting of October 17, 2019

To: Committee of the Whole **Date:** October 7, 2019
From: Mandi Sandhu, Head of Service Innovation and Improvement
Subject: Service Delivery Improvement and Performance Measurement Resources

RECOMMENDATION

That Council:

Forward the recommended option of supporting both a service delivery improvement function and a performance measurement function to advance the 2019-2022 Strategic Plan for consideration in the 2020 Financial Plan as follows:

- Service Delivery Improvement Function (2.0 FTE): \$264,200 (On-Going)
- Performance Measurement Function (1.0 FTE): \$107,900 (On-Going)
- Survey and Data Support: \$100,000 (One-Time)

EXECUTIVE SUMMARY

The 2019-2022 Strategic Plan contains actions under the *Good Governance and Civic Engagement* objective related to service delivery improvement and performance measurement, with much of the work in these areas to start in 2020. As part of the 2019 Financial Plan deliberations, Council requested staff bring forward more information on the resources required to further these actions prior to the 2020 budget discussions.

Also within the Strategic Plan is a *Declaration of Principles and Values Statement* which includes "Welcoming diversity and fostering a spirit of inclusion and equity in everything we do". In June 2019, Council passed a Motion for staff to further embed this principle into corporate policies guiding hiring, staff training and professional development, procurement and civic engagement. Since this motion was passed, staff have been investigating implementation options for this direction and facilitating a workshop with Council for further clarification on this item. Staff resources to implement new equity related policy/framework and data driven equity assessments will be required given this new initiative is outside current staff workloads.

Adopting a service improvement function within the City will require two FTEs, which will also support the implementation of an equity lens on planning and service delivery decisions. Work related to a new outcome measurement processes, as well as new surveys (employee, business, and community) will require support through one FTE, as well as one-time funds to undertake surveys in 2019 and 2020.

PURPOSE

The purpose of this report is to provide information and expected outcomes on resources required to advance 2019-2022 Strategic Plan Actions related to service improvement and performance measurement functions as previously requested through the 2019 Financial Plan.

BACKGROUND

On March 14, 2019, Council approved 2019-2022 Strategic Plan. As part of the discussions that took place leading up to this approval and through the 2019 Financial Planning process deliberations, Council requested that staff bring forward more information on proposed resources to support a service delivery improvement function, as well as introduce a more robust approach to performance measurement and monitoring system prior to the start of the 2020 Financial Plan deliberations. Under the current Strategic Plan *Objective #1: Good Governance and Civic Engagement*, there are three actions related to service improvement and performance measurement as follows:

- Improve service delivery through learning and input from frontline workers (LEAN) (2020)
- Develop a measurement and monitoring process for Strategic Plan Outcomes (2019)
- Implement measurement and monitoring process for Strategic Plan Outcomes (2020)

The Actions identified above are inter-related as improvements to service delivery, both internal and external, are reliant upon understanding baseline performance pre- and post- process changes to understand and quantify the efficiency and effectiveness of the impact of improvements. The specific implementation of a “Lean Six Sigma” or commonly in government called “LEAN” is a team-focused approach whereby employees identify areas for process improvements for action through the identification of one or more of seven types of waste. It is intended to be a bottom up approach whereby employees identify areas of frustrations in their day to day work and with support from a project team, work to develop solutions for better and work flow processes.

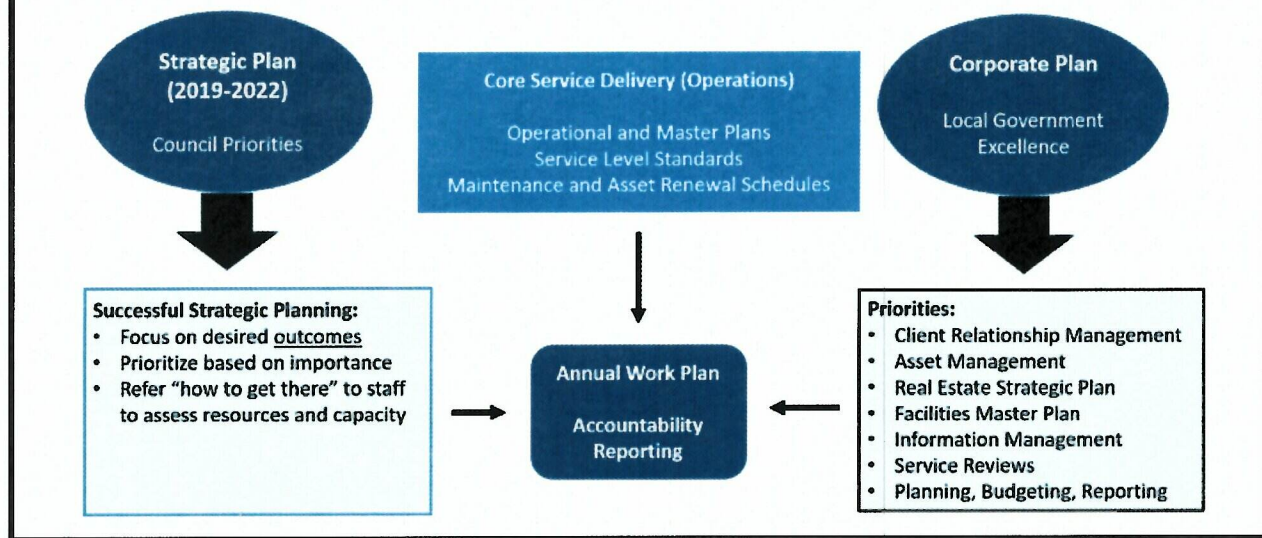
Also imbedded within the 2019-2022 Strategic Plan *Declaration of Principles and Values Statement #2* is “Welcoming diversity and fostering a spirit of inclusion and equity in everything we do”. In June 2019, Council passed a Motion foundational to this value statement which included the following [excerpt]:

- “Embed distributional, procedural, structural and inter-generational equity into the City’s corporate policies guiding hiring, staff training and professional development, procurement and civic engagement”

Since this motion was passed, staff have been investigating implementation options for this direction and facilitating a workshop with Council for further clarification on this item. Staff resources to implement new equity related policy/framework and data driven equity assessments will be required given this new initiative is outside current staff workloads.

Service improvement and performance measurement is also a key theme of the City of Victoria’s Corporate Plan, which was presented by the City Manager at the Council Orientation Sessions that were held October 29-31, 2018. The Corporate Plan is part of the City’s overall Service Delivery Framework as depicted below:

City of Victoria Service Delivery Framework



The staff resources identified in this report are also intended to advance the first priority in the Corporate Plan related to taking a comprehensive overhaul of how residents, businesses and visitors interact with the City in order to raise the bar on customer service. This is known that this initiative will entail a multi-year project to focus on the “no wrong front door” concept which is intended to ensure that any request received through email, phone, or on-line, or in person is addressed within corporate service level standards (i.e. established City response times, tracking of all requests from initiation to close out, and tracking performance).

ISSUES & ANALYSIS

Service Improvement Function

Within the municipal/local government context, the adoption of “LEAN” [SIX SIGMA] approach to identify service efficiency and effectiveness improvements in local government has been a growing trend across Canada, particularly in the last five years. Both New Brunswick and Ontario have robust municipal networks where small units have been created in multiple municipalities to support a bottom up approach to service improvement, as well as share learnings and solutions to address issues identified by front line staff. Within British Columbia, the provincial government created a LEAN Office to train and support staff across ministries in recent years.

The intent of introducing a LEAN approach within local government is to harness employee knowledge into practical improvements to increase efficiency and effectiveness through a simple methodology of identifying one or more streams of waste:

- **Transportation:** Is there unnecessary (non-value-added) movement of parts, materials, or information between processes?
- **Waiting:** Are people or parts, systems or facilities idle — waiting for a work cycle to be completed?
- **Overproduction:** Are you producing sooner, faster, or in greater quantities than the customer is demanding?
- **Defects:** Does the process result in anything that the customer would deem unacceptable?

- **Inventory:** Do you have any raw materials, work-in-progress (WIP), or finished goods that are not having value added to them?
- **Movement:** How much do you move materials, people, equipment, and goods within a processing step?
- **Extra Processing:** How much extra work is performed beyond the standard required by the customer?

Key to the success of a LEAN service improvement approach is measuring the ‘problem or issue’ we are collectively trying to “improve” and the qualitative and quantitative changes that result from the initiative to support an environment of transformation that celebrates staff-led improvement. The proposed approach to incorporation of engaging employees will rotate through departmental units across the organization with support from new staff requested for the Corporate Initiatives Department.

In addition to the overall approach of pro-actively engaging employees on improvements through a LEAN approach, the Corporate Plan identifies Client Relationship Management as a priority. Through a workshop conducted with the senior leadership team in Q1 of 2018, staff sought to identify short and long term priorities for better interactions with citizens. Short term actions undertaken since the workshop included reduction in the number of ‘vanity emails’ on the City of Victoria website, removal individual staff contact information and/or clarity on department contact information for service requests, expansion of on-line service request forms and staff customer service training on telephone inquiries and front service counter interactions. Through the training, staff identified a number of areas for further improvement including better phone tree options for clients, need for service level standards for responding inquiries, and better ways to track requests.

A jurisdictional scan of the ten provincial capital cities in Canada indicates that Victoria is one of the two cities that does not have a one-window approach for intake and standard action approach for citizen enquires, information and service requests. As such, a priority in the corporate plan is to design and implement a client relationship management systems, which may include a central 311 call system.

To achieve the outcome of adopting a service improvement function within the City, two FTE are required to support the work outlined above, as well as advance the adoption of an equity lens on planning and service delivery decisions.

Performance Measurement Function

The current Strategic Plan has over 60 outcome measures that were initially assessed by staff during the Strategic Plan deliberations in the first quarter of 2019 – this rapid assessment indicated that in a number of cases, there is no current mechanism to track these outcome measures and/or refinement of the wording would be required to ensure the data captured is aligned with outcome wording. The required tasks to enable the organization to have resources to measure, track and report on these outcomes is reliant on a number of broad areas:

1. **Community Satisfaction & Wellness Survey** – Lead the re-introduction of a citizen satisfaction survey (previously undertaken in 2011 and 2013) to assess perceptions and satisfaction with City services and programs, as well as a baseline measure for community wellness in Q2 of 2020 (to be repeated in 2022). In addition to collecting baseline information on a number of Strategic Plan Outcomes, the survey will also inform the annual budget process by gathering resident priorities prior to starting the financial planning process for 2021.

2. **Business Survey** – Support development and dissemination of improved survey questions to assess business health, as well as issues and priorities through the second annual business survey that will be aligned with the 2020 business licence renewal window.
3. **Employee Work Environment Survey** – Support the undertaking of an employee survey to through BC Stats to gather intelligence on perceptions on the current work environment, identification of issues that are important to employees and areas in need of improvement. The survey will also collect relevant demographic information of the current City workforce to support of future equity initiatives related to hiring and be undertaken every three years. As a third party, BC Stats will protect all personal employee information to ensure confidentiality of respondents (i.e. identity of staff completing the survey will not be provided to City management staff).
4. **Data-Driven Decision Making** – Data purchase and analysis from other levels of government (eg. Stats Canada) to provide third party support through the provision of statistically valid survey design (including BC Stats). The purchase of data supports the adoption of an equity lens by basing decisions on population attributes and community values.
5. **Quarterly and Annual Report Measurement** – Expand and improve the current suite of performance measures by departments.

The work outlined above will require support through one FTE to focus on a performance measurement function, as well as one-time funds to undertake surveys. This position may also support departments in the tracking of indicators and targets contained in a number of major plans such as the Official Community Plan, Housing Strategy, Zero Waste Strategy, among others.

OPTIONS & IMPACTS

The following table provides Council with a menu of options for consideration, along with the benefits and trade-offs to be considered:

Option Description	Benefits	Trade-Offs	\$ On-Going	\$ One-Time
#1. Service Improvement + Performance Measurement Functions	<ul style="list-style-type: none"> - Complete all three Strategic Plan actions and advance equity lens implementation - Advance Corporate Plan to develop a Client Relationship Management System 		\$372,100	\$100,000
#2. Service Improvement Function Only	<ul style="list-style-type: none"> - Adopt a LEAN approach to engage employees on efficiency and effectiveness improvements - Dedicated resources to develop and implement an equity framework - Advance Corporate Plan to develop a Client Relationship Management System 	<ul style="list-style-type: none"> - Remove or modify two Strategic Plan actions related to outcome performance measurement - Reduced capacity to apply an equity lens to decisions (data and information analysis) 	\$264,200	
#3. Performance Measurement Function Only	<ul style="list-style-type: none"> - Complete Strategic Plan actions related to outcome measures 	<ul style="list-style-type: none"> - Remove one Strategic Plan action related to employee 	\$107,900	\$100,000

Option Description	Benefits	Trade-Offs	\$ On-Going	\$ One-Time
	<ul style="list-style-type: none"> - Conduct community, business and employee surveys - Support improved quarterly and annual report measures 	<ul style="list-style-type: none"> - engagement for LEAN service improvements - Delayed implementation of an equity lens - Delayed development of a to Client Relationship Management system 		
#4. No Service Improvement or Performance Measurement Function		<ul style="list-style-type: none"> - Remove three strategic plan actions related to service improvement and measurement - Delayed implementation of an equity lens 	\$0	\$0

Given direction from Council through the Strategic Plan for service improvement, performance measurement, adoption of an Equity Lens, as well as Administration's Corporate Plan priorities to undertake a review and improvement of the overall approach to excellence in customer service, staff are recommending Option #1.

Accessibility Impact Statement

The work that will be initiated under the development and implementation of an equity lens on decision making is aligned with the community priorities to advance accessibility and the reduction of barriers.

2019 – 2022 Strategic Plan

This report specifically addresses resources required to implement three of the Strategic Plan Actions related to the objective of 'Good Governance and Civic Engagement' as well as the Declaration of Principles and Values.

Impacts to Financial Plan

Based on the recommended option, resource requirements is as follows:

Service Improvement Function (2.0 FTE):	\$264,200
Performance Measurement Function (1.0 FTE):	\$107,900
One-Time Survey and Data Support:	\$100,000

Official Community Plan Consistency Statement

This report is in alignment with the Official Community Plan and the performance measurement function specifically can support the measurement of OCP goals.

CONCLUSIONS

City staff are committed to continuous service improvement and have identified a number areas that can be improved to provide better interactions with our community through better data collection, understanding of priorities, and action these finding through service improvements. At the same time, staff also have direct knowledge of areas where efficiencies in processes can be made, but lack the time, support and mechanism to move these innovative ideas forward. The resources identified in the report are directly related to supporting Council's 2019-2022 Strategic Plan and the City's Corporate Plan.

Respectfully submitted,



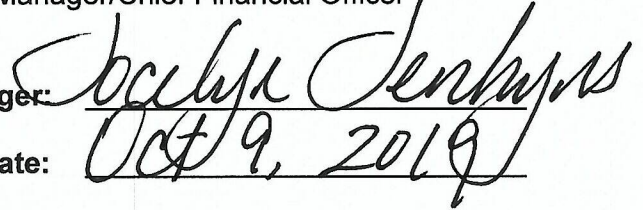
Mandi Sandhu
Head, Service Innovation & Improvement



Susanne Thompson
Deputy City Manager/Chief Financial Officer

Report accepted and recommended by the City Manager:

Date:


Oct 9, 2019

Attachments:

1. City of Victoria 2019-2022 Strategic Plan