

Program and Service Review - Q2 2021 Update

Recommendation

That the June 14, 2021, Financial and Corporate Services report FCS00593, be received for information.

Executive Summary

Following Council direction in 2016, the Program and Service Review (PSR) project was established to review the City's 73 services for relevance, effectiveness and efficiency, and to improve services that matter most to Edmontonians.

To date, of the 73 services that the City delivers, 35 reviews have been completed under the PSR, 16 services have been reviewed through other internal improvement projects, nine reviews were paused and remain on hold until feasibility to resume is determined, two reviews are in progress and six have yet to be reviewed. Five services were identified as not within the scope of the review process.

185 recommendations have been made from the 35 completed reviews. These relate to improving operations, optimizing service levels and lowering costs.

87 of the 185 recommendations have been implemented, 86 are in progress and the remaining 12 are paused.

The PSRs have created a culture of self-assessment and continuous improvement within the City, demonstrated by the formation of the Service Innovation and Performance (SIP) Branch in January 2021. Opportunities of improved safety, reduced red tape and reduction in inefficiencies have been realized. In addition, approximately \$30 million in cost avoidance and net savings have been identified.

Report

Background

In 2016, City Council directed Administration to review the City's 73 services, as defined by the Municipal Reference Model (MRM), for relevance, effectiveness and efficiency. The PSR is a robust, data-driven process to determine how the organization can improve the programs and services that matter most to

Edmontonians and achieve the best value for tax dollars. The reviews helped create a culture of continuous improvement that extends beyond the formal review process.

PSR Status

Council received its last update in July 2019, at which time 20 PSRs were completed. Between then and March 2020, Administration completed six additional PSRs; another 23 were in progress.

In March 2020, all formal PSR-related work was paused as some PSR staff were redeployed to support COVID-19 response and recovery initiatives and others were temporarily laid-off to help manage the pandemic's financial impact on the City. The City's pandemic response included budget reductions and initiating Reimagine Services, which prioritized the review of five of the largest service areas. Reimagine Services objectives were to evaluate possible reduction or elimination of services and private-sector alternatives, as well as an analysis of revenue opportunities, improved cost recovery and operational efficiencies.

In January 2021, 10 of the 23 paused PSRs resumed. One new review was started in February 2021. These reviews were prioritized based on the following criteria:

- Assessment of need and value by the business area and/or City;
- No overlap with Reimagine Services reviews, internal audits, or other major change initiatives; and
- Available capacity within the business area.

By May 2021, 9 of 10 resumed PSRs were completed, bringing the total completed PSRs to 35.

A total of 16 reviews were not within PSR scope. Rather, they were reviewed through Reimagine Services, internal audits, and other major change initiatives. Five services were identified as exempt, due to being out of scope of the municipality under the Municipal Governance Act or were removed as a standalone service.

There are 17 service reviews remaining:

- 2 in progress
- 9 paused at various stages
- 6 yet to begin

The timing and completion of the remaining reviews is dependent on other change and improvement initiatives underway, such as:

- Enterprise Commons;
- Implementation of the Reimagine Services recommendations;
- Internal audit work plan; and

- Development of formal review processes by the new Service Innovation and Performance branch.

See Attachment 1 for the status of each review.

Implementation of Approved Recommendations

Administration has approved a total of 185 recommendations from 35 completed PSRs.

Table 1. Approved PSR Recommendations

Time Period	PSRs Completed	Number of Recommendations
Prior to July 2019	20	89
July 2019 to March 2020	6	43
February 2021 to May 2021	9	53
Total	35	185

Table 2 below is a summary of the implementation status of each review. The 12 paused recommendations may be contingent on approval from Council (e.g. closure of pools), require additional investment, or are impacted by other initiatives. Attachment 2 includes a detailed implementation status by PSR.

Table 2. Implementation Status of Approved PSR Recommendations

Status	Number	Proportion (%)
Implemented	87	47%
In Progress	86	47%
Paused	12	6%
Total	185	100%

Achieved Benefits

The PSRs have created a culture of self-assessment and improvement across the organization. The benefits realized include:

- Improved safety and security;
- Reduction of inefficiencies;
- Cost avoidance and reduction;

- Streamlined workflow processes for employees;
- Better alignment of services to industry standards; and
- Evolved the culture of continuous improvement.

The PSRs identified approximately \$30 million of net savings (cost avoidance and reduction) opportunities from operational improvements such as reducing hours at leisure facilities during underutilized times, and protection of high-value sporting equipment through better security and asset management. The realized savings are reallocated or identified as harvestable and incorporated into the supplemental operating budget deliberations.

The PSRs helped align performance management to optimize service levels, and emphasized the importance of benchmarking the City's service levels and performance against other municipalities and providers. For example, benchmarking helped to adjust the 311 Contact Centre's service during peak periods identifying nearly \$1 million in ongoing savings. Benchmarking is now an inherent continuous improvement practice at the City and will be brought forward to committee and/or council through upcoming planning and reporting cycles.

In addition to improving operations within the City, the PSRs also focused on bettering the lives of Edmontonians, reducing red tape and increasing access to services. For example, recommendations of PSRs improved online self-services for purchasing pet permits, removed red tape by reducing non-mandatory safety code inspections through use of data and analytics, and simplified select City websites content, language and navigation. In addition, recommendations to update the strategy for certain services, such as waste collection, was a precursor that led to the strategy to develop the Cart Rollout.

The City's culture of continuous improvement will expand and evolve with the added lens of innovative and customer-focused service design. Specifically:

- An evidence and risk based approach will be used to prioritize the reviews.
- Benefits realized such as improvements to service and productivity and adjustments to service levels or programs will be reported in the City's Annual Report.
- Findings from completed reviews will help inform the Priority Based Budgeting process during the Insights Phase, which explores further opportunities to optimize the City's financial resources based on prioritization of programs and services.
- Reallocated or harvestable savings will be incorporated into the Supplementary Budget Adjustment processes.

Next Steps

Next steps on the PSR project will include:

- Continuous monitoring of the benefits realized from completed reviews.
- Prioritization of the service review work plan based on all current internal review and improvement initiatives within business areas and in alignment with department and corporate outcomes.
- Continue to evolve the formal review processes to align and integrate with service design, innovation and continuous improvement.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton’s corporate processes are robust and helpful for integrated service delivery			
Outcome(s)	Measure(s)	Result(s)	Target(s)
The City of Edmonton’s corporate processes are robust and helpful for integrated service delivery.	Number of services reviewed	51 services have been reviewed since 2017 either through the PSR or another internal initiative.	68 (Note: 5 of the identified 73 services are not within the scope of the review process.)
	Implementation rate of recommendations with high potential to increase effectiveness, efficiency and relevance of services	47%	100%

Attachments

1. Status of each service review
2. Implementation status by PSR

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- K. Armstrong, Deputy City Manager, Employee Services
- R. Smyth, Deputy City Manager, Citizen Services
- S. McCabe, Deputy City Manager, Urban Planning and Economy
- K. Fallis-Howell, Acting City Solicitor