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TO Planning & Building, Engineering and Environment Committee

SERVICE AREA Planning, Building, Engineering and Environment
Finance and Enterprise Services

DATE August 5, 2014

SUBJECT **Integrated Operational Review (IOR) – First Annual Report (2013 – 2014)**

REPORT NUMBER 14-45

EXECUTIVE SUMMARY

PURPOSE OF REPORT

In July 2013 Council received PBEE Report 13-33, which summarized a multi-year plan to implement the IOR Recommendations. A copy of this report can be found at (<http://guelph.ca/business/economic-development-office/integrated-operational-review/>)

The purpose of PBEE Report 14-45 is to provide Council with the results that have been achieved over the course of the last 12 months as well as to present the priority objectives for the period 2014 – 2015.

KEY FINDINGS

As outlined in PBEE Report 13-33 the focus over the last 12 months has been on implementing the core foundational elements of the IOR which set the stage for future actions and performance improvements.

The following provides an overview of the key achievements over the past year:

Building a Solid Foundation for Success

Build a More Adaptive Learning Organization

- 2014 budget and resources approved by Council
- IOR Program Manager engaged (February 2014)
- New Development Planner II position established and filled (June 2014)
- Staffing succession & work force planning in IOR departments is being implemented in the first phase of the Human Resources corporate wide initiative
- Continuous learning activities have been initiated

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Improve Management Direction & Communications

- Governance Structure established and operating with the General Manager, Manager Level and Development Review Committees as well as the Business Oversight Working Group

Improve Development Review Process

- A Triage Working Group established and development of an Interim Rapid Response Protocol for high impact development and investment opportunities is underway with expected completion Q4 2014 and test implementation in 2015.
- Mandatory Pre-consultation meetings for all development applications is being piloted
- Development Review Committee established with the formal structure expected to be implemented in Q3 & Q4 2014
- Amanda and the GIS are critical tools for IOR departments. Performance improvements are expected through implementation of the Corporate Technology Strategic Plan
- Process Mapping of all Development Approval Processes is being piloted now with implementation targeted for Q3 & Q4 2014

Improve Communications

- Through the Communications & Customer Service Committee, immediate actions are being taken to reconnect the IOR with all staff and the private sector and develop Terms of Reference for strategies in both of these areas
- The Business Retention and Expansion interviews have provided opportunities to receive feedback on specific development applications and have led to "quick fixes"
- Managers in the IOR departments are meeting with development proponents to receive feedback on ongoing applications
- Numerous outreach initiatives have been taken with the Guelph Wellington Developers Association, Guelph and District Association of Realtors, Guelph Homebuilders Association and Consulting Sectors

Immediate Priorities 2014 - 2015

Based on the status of year 1 implementation activities and an assessment of current capacity the IOR Work Plan has been refined (Attachment 2) to focus on the following priorities for the coming year.

- Complete ongoing Year 1 activities
- Develop and Implement the Interim Rapid Response Protocol for high impact Industrial, Commercial and Institutional development & investment opportunities
- Develop Communications & Customer Service Strategies and initial Action Plans
- Map all Development Approval Processes, identify and begin implementing

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- streamlining opportunities
- Implement Mandatory Pre consultation Process and Development Review Committees
- Planning Services to pilot the corporate capacity assessment and time tracking tool to establish baseline data and build a foundation for specific performance measurement systems and targets in the development approval process in 2015 -2016

The timelines for a number of the longer term initiatives, including the development of a Gold Star Program and the creation of a Business Facilitator function have been extended from Q4 2016 to Q2 2017 to reflect the need to fully implement and measure the impacts of core foundational improvements over 2015 and 2016.

FINANCIAL IMPLICATIONS

As noted in PBEE Report 13-33, full implementation of the IOR Program will require significant and sustained multi-year commitment of existing staff and resources from all involved IOR departments as well as additional future resources.

IOR investments approved in the 2014 budget established an additional staff resource in Planning Services and have enabled the commencement of 2014 priorities, including the three focus areas of customer service and communication, the assessment of current development processes and developing a protocol to respond to high impact developments and investment opportunities.

Proposed 2015 investments will be brought forward through the 2015 budget process and will reflect the Year 2 priorities in the Revised Work Plan (Attachment 2).

ACTION REQUIRED

This report is being presented for information, and is to be received by the Planning, Building, Engineering & Environment Committee.

RECOMMENDATION

1. That Report 14-45 from Planning, Building, Engineering and Environment Services, and Finance and Enterprise Services, regarding the Integrated Operational Review Annual Report for the period 2013 to 2014 be received.

BACKGROUND

As referenced earlier in this report, in July 2013 Council received PBEE Report 13-33, which summarized a multi-year plan to implement the IOR Recommendations including a governance structure and draft performance measurement framework. The plan was developed through an integrated and collaborative approach between

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staff and the development community with the common goal to move Guelph towards being more “business like” in its approach to development and City Building.

The IOR Implementation Plan has 23 discrete but integrated components organized under four themes;

1. Build a More Adaptive Learning Organization
2. Improve Management Direction & Communications
3. Improve Development Review Process; and
4. Improve Communications Interdepartmental & with Stakeholders.

This first Annual Report updates Council on the early results that have been achieved over the last 12 months and outlines the plans for 2014 – 2015.

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YEAR 1 ACCOMPLISHMENTS (2013 – 2014)

Staff, over the last 12 months staff has focussed on putting in place the foundation on which to fully implement the IOR.

1. Build a More Adaptive Learning Organization

Since the July 2013 decisions by Council, operating budget and the resources were identified in the December approval of Council’s operating and capital budgets. The **IOR Program Manager** and the new **Development Planner II** (Intermediate) (IOR REC. 1.1) have subsequently been engaged.

Succession & Work Force Planning and the development of an **Attraction and Retention Program** for staff are corporate initiatives that have initially targeted the IOR Departments.

2. Improve Management Direction & Communications

The IOR **Governance Structure** (Attachment 3) is in place and operating. It has been refined to confirm roles and responsibilities. The General Manager Level and Manager Level Committees (IOR REC.2.2 and 2.3) are meeting monthly. The External Oversight Committee consisting of external stakeholders has been re-engaged since their initial role in participating in the development of the IOR. The Committee has been renamed the Business Stakeholder Working Group.

3. Improve Development Review Processes

An interim rapid response protocol - Triage (IOR REC. 3.3a) for high impact development & investment opportunities is an initiative flagged by the business community and Economic Development as an important initiative with long term benefits to Guelph. This is a “best practice” that would begin to position Guelph as being more “business like”, an important step identified in the initial IOR Research.

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A Working Group of staff has been established and Terms of Reference completed. This program is to be fully functional by the end Q4 2014.

Mandatory Pre-Consultation and the Development Review Committee (IOR REC. 3.4 & 3.5) have been implemented as pilots. A draft process manual is being finalized and circulated to stakeholders for feedback. A Mandatory Pre-Consultation Bylaw will be presented to Council this year. **Pre-consultation** will lay the groundwork for development applications to be submitted in a more complete form. A complete application submitted with high quality technical supporting studies play an important role in creating more predictability in the development approval process.

The corporate wide **IT Strategy Implementation**, specifically, the work on GIS and Amanda apply directly to IOR initiatives. The **IOR Tech Steering Committee** (IOR REC. 3.8) will be engaged once these initiatives are being implemented in 2015.

Understanding the specifics of the existing development review processes through **Process Mapping** (IOR REC. 3.14) will document the base information for the City and the development industry to move many IOR Recommendations forward. This initiative will identify process streamlining opportunities. As well it will illustrate the resource capacity, benchmarks and key performance indicators that will be required to deliver and monitor performance improvements for each process.

4. Improve Communications

Communications and Customer Service Strategies will assist in creating the environment for the IOR Implementation to achieve success. Staff from many service areas were directly involved in bringing the IOR Plan to this point. This group of key participants must be expanded to include all of us if we are going to achieve success. Collaborative and integrated processes are based on continuous open, timely and clear communications to achieve success. City staff all across the administration, consultants, and developers will be involved in developing and then navigating the development approval processes. A staff working group is in place developing some immediate actions and Terms of Reference for the two strategies. Reports with recommendations will be presented to Council in early 2015.

Ongoing communications with the development community has been a priority since Council's approval last July. Senior staff has reached out to the development community, the real estate industry, consultants and business. Presentations have included many participants.

Economic Development's Business Retention and Expansion program has been a wonderful window to the ongoing concerns of the private sector. Not only have we learned specific obstacles that we need to overcome, we have learned of businesses who are planning to expand who we can contact directly to assist them. As well, development staff has been meeting with individual private sector representatives to hear and understand their specific experiences. These meetings have led to

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immediate actions such as changes to the site plan review committee meeting so that the meetings focus on problem solving which will reduce processing time.

ACHIEVING EARLY RESULTS

Report 13-33 provided a development review process dashboard and proposed key performance indicators. As can hopefully be appreciated, the IOR is a multi-year program that is designed to achieve and maintain performance improvement, and therefore the development of meaningful performance measurement becomes challenging.

Performance Concepts Consulting, a firm specializing in municipal performance metrics, has assisted staff with the creation of key performance indicators. It has been this firm's advice that before developing key performance indicators, the City should take the time to first establish good baseline data, which will be greatly achieved through the process mapping that is referenced in elsewhere in this report. At the time of completion of this mapping, meaningful key performance indicators will be available.

In the interim and for the purpose of this year's annual report the following assessment of early achieved results is provided.

1. Internal Staff Impacts

Employee engagement as indicated in the 2011 survey has in the past been very low which is illustrated in the 2013 data above. Results of the 2014 survey will be available this fall. Staff is beginning to see and feel the commitment of the organization to change through several corporate initiatives including the implementation of the IOR. Initial experience with staff in implementing the priority recommendations of the IOR has been positive. The implementation of the IOR has been imbedded in staff performance development plans.

Additional resources have been added to Development Planning which is providing additional capacity which will yield immediate benefits. The comprehensive approach included within IOR will provide the anticipated long term positive results for staff.

2. Development Industry Impacts

The variety of outreach initiatives being carried out by management staff with the development community is resulting in a more positive response from the industry to the processing of applications within the city. The industry are now making positive suggestions for improvements and beginning to recognize and comment about positive changes to the development approval processes that they see.

Documenting the process maps for each development approval process will begin Q3 2014. It is this step that will provide the base information to enable staff to document the many process steps and then create the ability to streamline and

measure the processing days and track actual vs. targets which will yield the more consistent positive results anticipated from the IOR. Industry involvement in this process will build their commitment to its final solution.

3. Community Based Impacts

Built form conformity with the Official Plan, financial and economic sustainability, along with stakeholder engagement and communications will be measured as we move forward.

Communications have been ongoing over the last 12 months with the development community. The development industry stakeholders are looking forward to providing input as implementation moves forward. As improvements to the City's development and planning processes are developed, they will be posted on-line to inform the public.

YEAR 2 TARGETED PRIORITIES (2014 – 2015)

The **IOR Work Plan** has been reviewed in detail and revised (Attachment 2) based on staff capacity and the priority of each recommendation.

This foundational work has created the basis for the implementation of the balance of the IOR Recommendations which will follow later in 2014, 2015 and 2016. Over Q3 & 4 of 2014 and Q1 & 2 of 2015 the following initiatives are planned.

- Develop and Implement the Interim Rapid Response Protocol for high impact development & investment opportunities
- Develop Communications & Customer Service Strategies and initial Action Plans
- Map all Development Approval Processes, identify and begin to implement streamlining opportunities
- Implement Pre consultation Process and Development Review Committees
- Planning Services will pilot the corporate capacity assessment and time tracking tool to establish baseline data and build a foundation for specific performance systems and targets in the development approval process in 2015 -2016

CORPORATE STRATEGIC PLAN

This initiative touches in whole, or in part on all of the CSP's objectives.

1. Organizational Excellence

- 1.1 Engage employees through excellence in leadership
- 1.2 Develop collaborative work team and apply whole systems thinking to deliver creative solutions
- 1.3 Build robust systems, structures and frameworks aligned to strategy

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2. Innovation in Local Government

- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability
- 2.2 Deliver Public Service better
- 2.3 Ensure accountability, transparency and engagement

3. City Building

- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
- 3.2 Be economically viable, resilient, diverse and attractive for business
- 3.3 Strengthen citizen and stakeholder engagement and communications

DEPARTMENTAL CONSULTATION

The following City departments have been involved in the 2013 – 2014 implementation activities:

- Planning Services
- Engineering Services
- Building Services
- Enterprise Services
- Office of the CAO
- Human Resources
- Information Technology
- Communications
- Clerks
- Finance Services
- Community and Social Services

FINANCIAL IMPLICATIONS

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IOR investments approved in the 2014 budget established an additional staff resource in Planning Services and have enabled the commencement of 2014 priorities, including the three focus areas of customer service and communication, the assessment of current development processes and developing a protocol to respond to high impact developments and investment opportunities.

Proposed 2015 investments will be brought forward through the 2015 budget process and will reflect the Year 2 priorities in the Revised Work Plan (Attachment 2).

Over the long term it is anticipated that full implementation of the IOR will have financial benefits to both the City and private sector developers/investors. A more “business like” corporate culture with more efficient, timely and predictable, Development Approval Processes will save both time and money for both the City and the private sector, as processes become more effective and the private sector finds the approval processes more predictable. A positive reputation, as a City that

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is more “business like”, will over the long term serve to attract more private sector investment, provide public clarity and prove to be financially beneficial to the City as a whole and the City will have a more engaged and empowered staff.

COMMUNICATIONS

The Communications and Customer Service Committee is presently working closely with Corporate Communications staff to develop both an immediate action plan and a long term Communications Strategy to ensure effective, ongoing two way communications with internal and external stakeholders.

ATTACHMENTS

Attachment 1 Staff Report 13-33 July 15, 2013 IOR of Planning, Building, Engineering and Enterprise Services – Phase 3 Implementation Plan & Performance Measurement Framework (*This Attachment is available on the City of Guelph website at:*
<http://guelph.ca/business/economic-development-office/integrated-operational-review/>)

Attachment 2 IOR Implementation Work Plan Revised June 2014 (*This Attachment is available on the City of Guelph website at:*
<http://guelph.ca/business/economic-development-office/integrated-operational-review/>)

Attachment 3 IOR Governance Model

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