

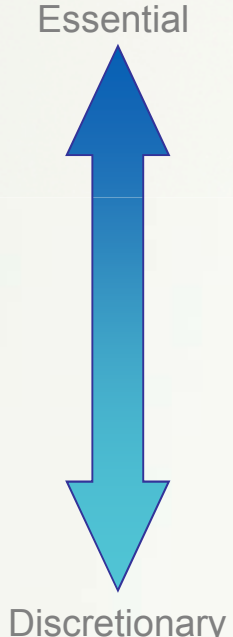
# *Narrowing the Gap:* A Service Based Approach to Fiscal Sustainability

Glen Davies – May 29, 2012

# Core Services Review in Regina

- 2004 Project
  - External consultant working with a project team of City employees including Regina Police Service
    - Review the service level base
    - Account for the cost and offsetting revenues of services
    - Examine the relative value of a service when tested against a definition of “Core Service”
  - Results
    - 61 service area improvements
    - Annual reduction to the bottom line of 2.7% (\$8.5 million)
    - Opportunity log identifying 1,500 opportunities for cost savings or efficiencies
    - Identification of strategic success factors

# Core Services Review in Regina

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- Core Continuum
    - Legislated Activities
    - Public Safety and Security
    - Urban Infrastructure
    - Stewardship of Assets and Environment
    - Crime Prevention
    - Special Services for the Disadvantaged
    - Leisure Opportunities
    - Augmented Services/User Pay Services

# Core Services Review in Regina

- Public engagement
  - 6 Focus Groups with 44 participants drawn from:
    - A range of community groups
    - Members of the Mayor's Task Force on Regina's Future
    - Regina Police Service Citizens' Advisory Committee
    - Community Associations
    - SIAST students
    - Community Associations
- Results
  - The Core Continuum made sense to people
  - They assumed we were already using something like it to support decision making

## More than Just Cost Reductions...

- Added Benefits of CSR
  - Some shift in the corporate culture – improved focus on results
  - Improved clarity regarding what we do and how we allocate resources
  - Better ability to analyze and understand our work and business; better research and background
  - Beginnings of a “continuous improvement” environment
  - Recommendations on key success factors

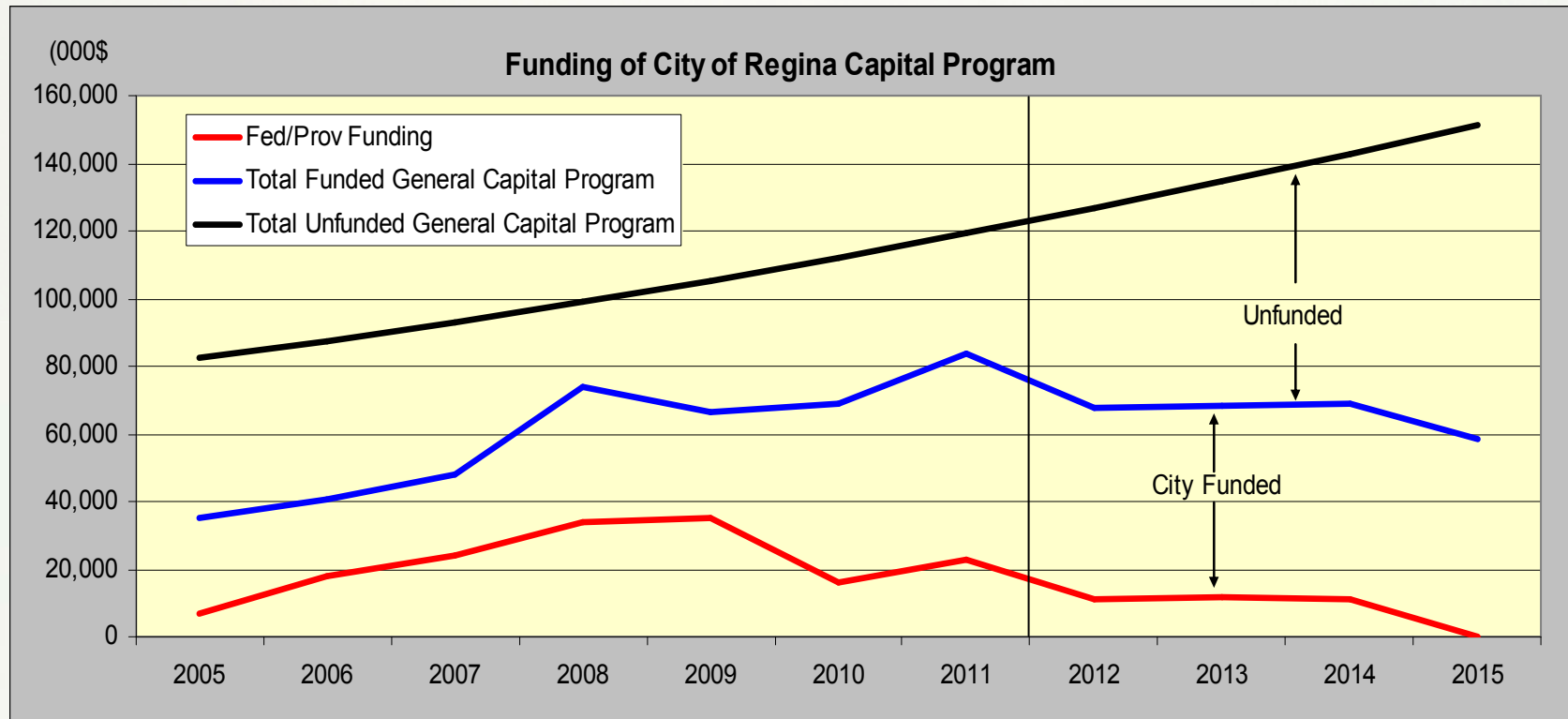
## Weaknesses of Regina's CSR...

- Lack of strategic intent – no burning platform
- Success limited to “low hanging fruit”
- A number of recommendations have not advanced because we haven't built the support of Council and citizens
- Robustness of the Core Continuum itself as a single decision support tool
- Perceived as a one time event

## But...

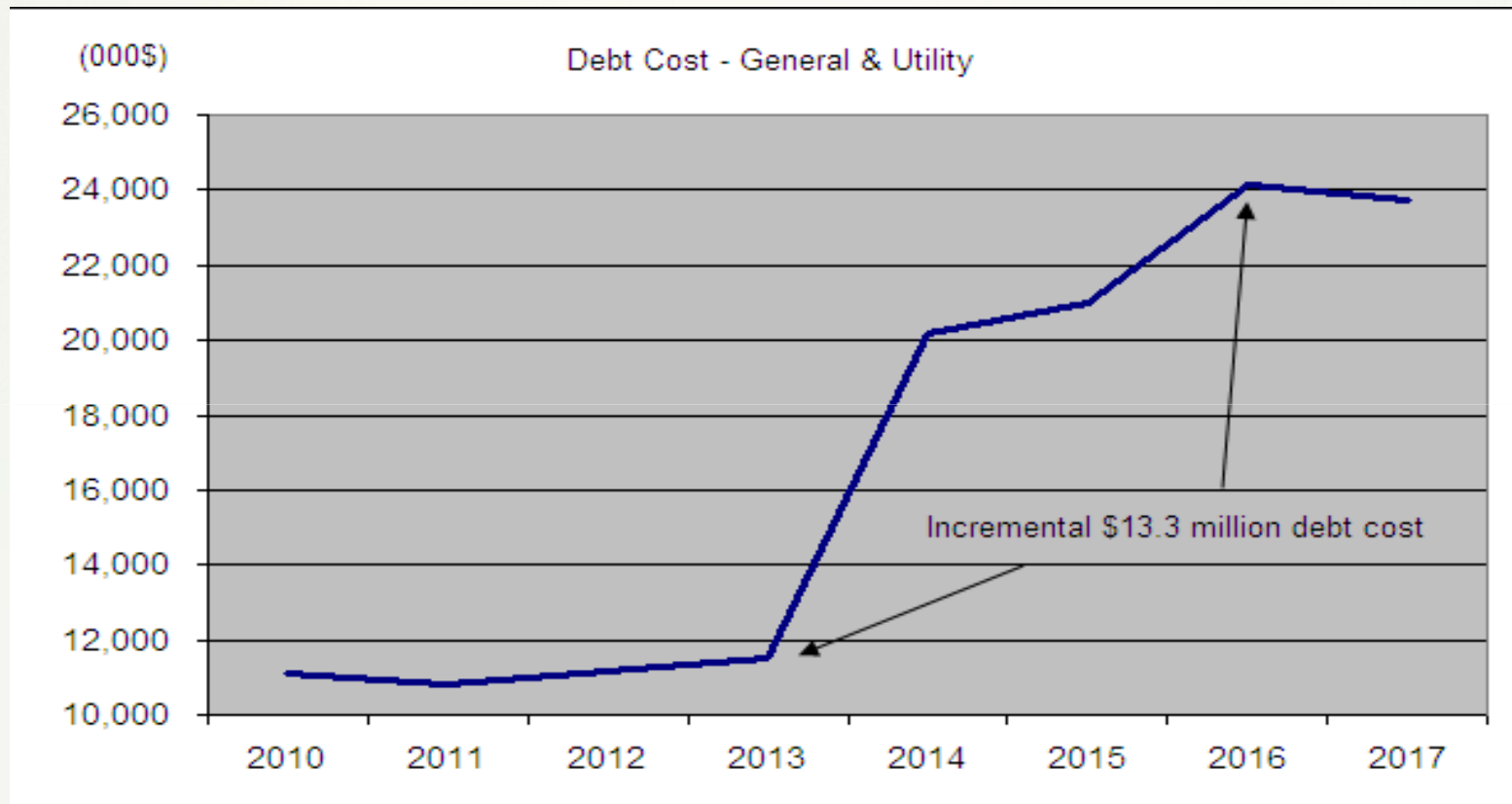
- The City of Regina continues to face demands that far exceed its capacity to respond
  - Estimated \$2 billion in deferred infrastructure renewal
  - Will reach debt limit capacity by 2016
  - Revenue increases as a result of growth don't fully cover the cost of servicing growth

## Long Term Outlook...





# Forecast Debt Servicing Costs



## Narrowing the Gap...

- Early 2011 – Development of *Narrowing the Gap* strategy
  - Defined the systemic problem that needed to be addressed -- the gap between citizens' expectations and our capacity to deliver on them
  - Recognized that awareness about the gap is low – even among Council members
  - Organization wide approach with measures, targets, and regular monitoring of progress

## Strategic Focus for 2012

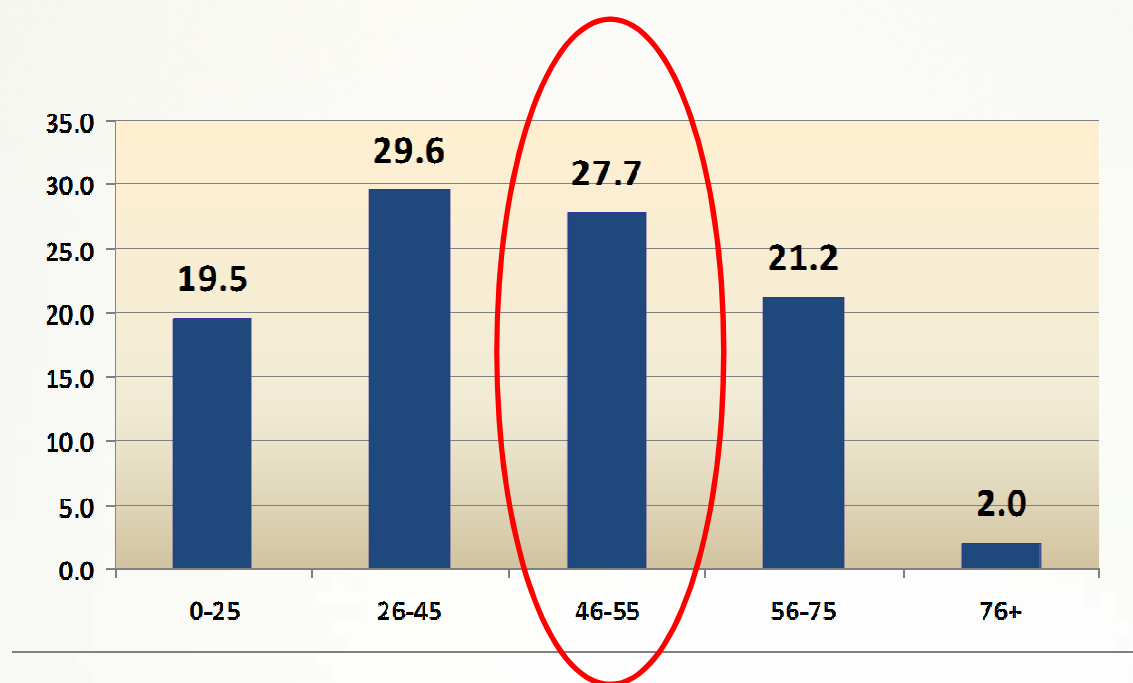


## Narrowing the Gap...

- Focus of the plan:
  - Awareness building
  - Analysing our programs and services so that we can engage citizens about their expected service levels and the cost of providing them
  - Reducing costs
  - Increasing revenues
  - Doing business in different ways (Alternative Service Delivery)

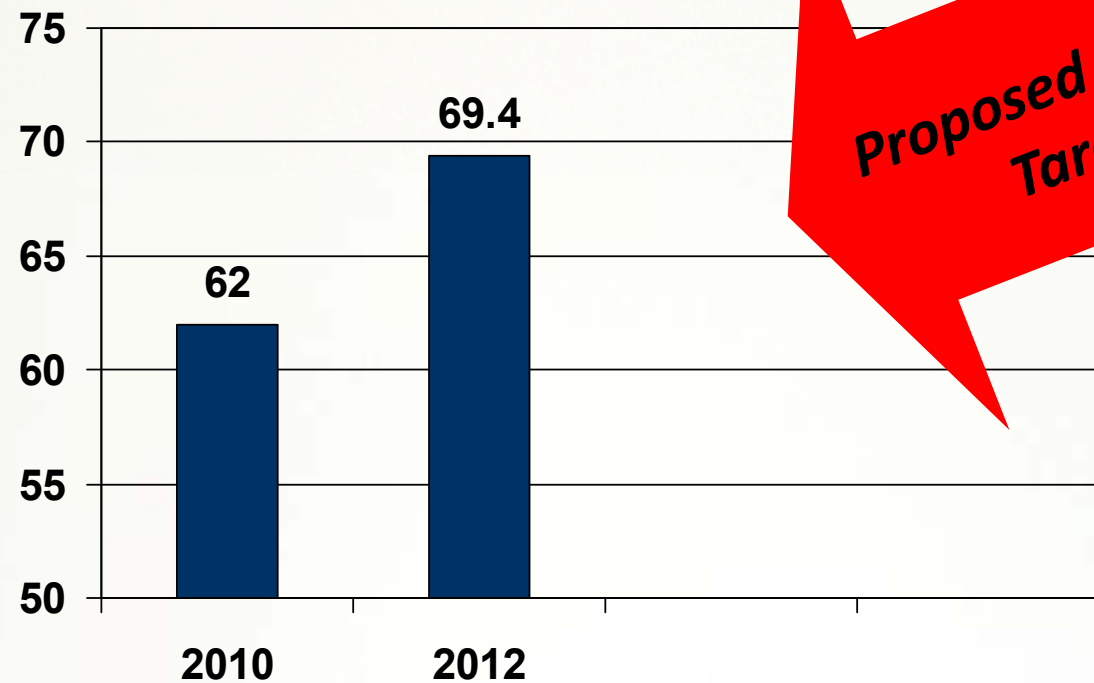
# What our Citizens Think...

How Much of Your Property Taxes go to the City?



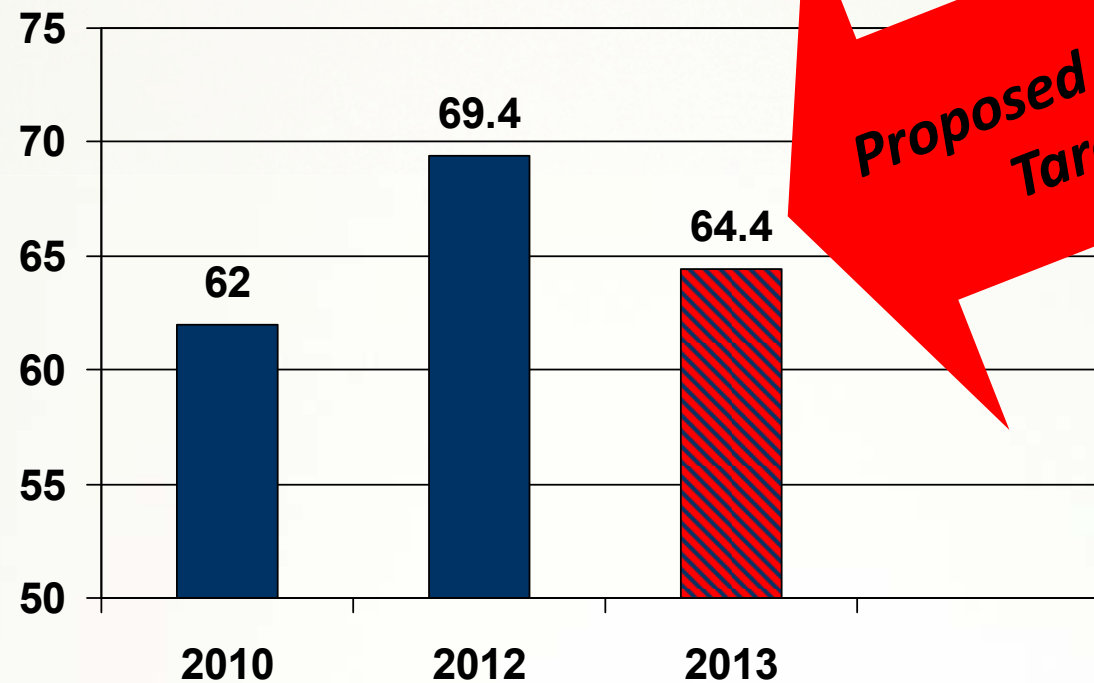
# What our Citizens Think...

Percentage of Citizens who think the City has enough money to meet its requirements



# What our Citizens Think...

Percentage of Citizens who think the City has enough money to meet its requirements



## A Forever Change...

- We understand who our customers are and what our customers and our citizens expect.
- Our customers/citizens are able to understand what they are getting for their money and agree that what they are getting aligns their service expectations with their willingness to pay.
- We are able to manage our business by managing our service levels to our customers/citizens within the limits of their willingness to pay.



## Lessons Learned

- Awareness of and buy-in to the need for change
- The value of establishing measures and setting targets for communicating expectations across the organization
- The need for dedicated resources to planning, developing tools and processes, and reporting and oversight
- The need for an environment of safety so appropriate risks will be taken and innovation will occur

## Unsolved Questions

- Still working to find ways to ensure that Council and Administration are on the same message
- Citizens are not well informed of our finances and how we operate
- We are still working through transitional issues in Administration
  - The approach represents a whole new way of thinking that Administration is generally unfamiliar with
  - The approach is not yet consistently seen as a strategic opportunity
  - We are asking Administration to put forward ideas that could lead to a loss of job security for themselves and their colleagues