



# Provincial – Territorial Charrette on Municipal Performance and its Measurement

May 17-18, 2004

Toronto, Ontario

## Report on Proceedings

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May 2004



## Contents

<b>1. Introduction</b>	<b>1</b>
1.1 Background	1
1.2 Charrette Objectives	1
1.3 Charrette Agenda	1
1.4 Charrette Observations	2
<b>2. Charrette Proceedings</b>	<b>6</b>
2.1 Why Are Provinces and Territories Promoting Performance Measurement for Municipalities?	6
2.2 Measuring Municipal Performance: the UK Experience	8
2.3 Municipal Performance Indicators in Québec	13
2.4 Toward Local Government Capacity and Performance Measures in New Brunswick	18
2.5 The Nova Scotia Municipal Indicators Program	22
2.6 Ontario Municipal Performance Measurement Program	26
2.7 Effective Local Government in the Australian Federation: How Are We Measuring Up?	34
2.8 Achieving Accountability through Annual Progress Reporting – British Columbia	39
2.9 Measuring Performance through the FCM Quality of Life Reporting System	42
2.10 Performance Measurement at the City of Calgary	47
2.11 Measuring Performance in Winnipeg – The Road Less Travelled	52

## Appendices

Appendix 1 Summary of Presentations	58
Appendix 2 Charrette Participants	61
Appendix 3 Web Site Links	64



# 1. Introduction

## 1.1 Background

The Institute of Public Administration of Canada (IPAC) organized a Charrette on municipal performance measurement on behalf of the Government of Ontario. The Charrette brought together representatives of Canadian provinces and territories concerned with the policies and management necessary to enhance municipal performance and its measurement. It took place 17-18 May 2004 in Toronto, Ontario.

This is the IPAC report on the proceedings of the Charrette. It was prepared by Peter Bracegirdle, the Charrette facilitator and rapporteur.

## 1.2 Charrette Objectives

The Charrette on Municipal Performance and Its Measurement was intended to help achieve five general objectives:

1. To increase the understanding and application of the concepts of performance measurement at the local government level, and how they contribute to stronger accountability and improved delivery of services.
2. To provide a forum for sharing information and best practices on the use of performance measurement as a tool to enhance service efficiency and effectiveness.
3. To demonstrate the evolving application of performance measurement from a broad range of settings.
4. To explore the relationship between provincial and municipal orders of government in performance management, and to consider opportunities for cooperation and coordination in efforts to support these relationships.
5. To increase participants' ability and capacity to assess and evaluate options for future use of resources and tools to support accountability, transparency and improvements in the delivery of public services.

## 1.3 Charrette Agenda

The Charrette agenda consisted of presentations, discussions and networking opportunities during an evening event on May 17 and a full day of activities on May 18, 2004. The presentations were informative and the discussions were lively and edifying. The Charrette included these activities:

- A welcoming address by the Ontario Deputy Minister of Municipal Affairs.
- Two presentations by distinguished visitors from the United Kingdom and Australia, who described the experience with municipal performance measurement in their countries.
- Eight presentations by practitioners in performance measurement in Canada sharing the provincial and municipal experience in developing performance measurement systems. These presentations were organized into four panels:
  - Establishing Performance Indicators Frameworks
  - Establishing and Enforcing Municipal Standards
  - Promoting Performance through Information and Knowledge
  - Cities Measure their Own Performance

The Charrette facilitator/rapporteur gave a summary of the presentations by way of observations on the similarities and points of departure in the challenges and experiences of practitioners across jurisdictions.

The Speakers and the titles of their presentations are listed in the table below.

Presentation Name	Speaker	Position and Association
Why Are Provinces and Territories Promoting Performance Measurement for Municipalities?	John Burke	Deputy Minister of Municipal Affairs, Province of Ontario
Measuring Municipal Performance: The UK Experience	Dame Mavis McDonald	Permanent Secretary, Office of the Deputy Prime Minister, UK
The Challenge of Establishing Municipal Performance Indicators Framework in Quebec	Claude Brochet	Research Officer, Ministère des Affaires municipales et de la Métropole, Quebec
Toward Local Government Capacity and Performance Measures in New Brunswick	Katherine d'Entremont and Johnny St-Onge	Local Governance and Community Leadership Branch, New Brunswick Dept of Environment and Local Government
The Nova Scotia Municipal Indicators Program	Robert Houlihan	Municipal Advisor, Service Nova Scotia and Municipal Relations
Ontario Government Municipal Performance Measurement Program	Larry Clay	Director, Ministry of Municipal Affairs and Housing, Ontario
Effective Local Government in the Australian Federation: How Are We Measuring Up?	John Martin	Director, Centre for Regional and Rural Development, RMIT University, Australia
Achieving Accountability through Annual Progress Reporting: The BC Experience	Meagan Gergley	Policy Analyst, BC Ministry of Community, Aboriginal and Women's Services
Measuring Performance through the FCM Quality of Life Reporting System	John Burrett	Senior Manager, Social Policy, Federation of Canadian Municipalities
Measuring Performance at the City of Calgary	Archie Chumak	Internal Management Consultant, City of Calgary, Alberta
Measuring Performance in Winnipeg: The Road Less Travelled	Connie Walker	Manager, Strategic Management Division, CAO's Office, City of Winnipeg
Summation of the Rapporteur	Peter Bracegirdle	Performance Measurement Consultant, Appian Consulting, Ottawa

## 1.4 Charrette Observations

The rapporteur presented the following observations on the Charrette proceedings as a summary of the experience shared in presentations by the 10 speakers:

1. **Rationale for Measuring Performance** – The rationale for developing municipal performance measurement systems is similar across jurisdictions in Canada. This is a relatively new field that has emerged in the past decade as municipalities face increasing demands to deliver more and better services. In most provinces – we heard from Ontario, Quebec, Nova Scotia, British Columbia and New Brunswick – performance measurement was introduced as a management tool within a broad institutional reform process aimed at improving the use of government resources. The practice supports priority setting and planning for results. As well, the expectations of Canadian taxpayers have changed markedly in recent years. Canadians expect greater public accountability of elected officials and public servants. The provincial systems require municipalities to report the results of the annual surveys to their constituents and ratepayers. As we heard from Calgary and Winnipeg, municipalities themselves have developed performance measurement systems with an eye to improving municipal service delivery, administration and governance. These systems reflect municipal concerns with learning from past practices and best practices. The FCM quality of life reporting system was developed to measure the impact of federal policy on municipalities in a tight fiscal environment. In this case, measurement is a

means to bring performance information to those involved in policy-making, budgeting, and long-term planning.

2. ***Purpose and Objectives of Measurement*** – The purpose and objectives for performance measurement systems are also similar across jurisdictions. This is not surprising as the objectives for using measurement systems are closely tied to the rationale for their development. Typically the systems are meant to help:
  - Increase knowledge of elected officials and municipal staff about the performance of municipalities in providing services and performing administrative functions.
  - Improve priority setting and planning.
  - Improve service delivery and operations management.
  - Improve the allocation and use of financial resources.
  - Reinforce transparency and public accountability.
3. ***Concepts and Language*** – The Charrette participants were at ease travelling the conceptual terrain of performance measurement and management. They tend to view these systems as instruments for use in creating a performance-oriented management culture within municipalities. They see how performance measurement is linked to other aspects of the management control framework already in place within government departments. The participants used the technical language of inputs and outputs – effectiveness and efficiency – targets, benchmarks and best practices – without hesitation or need to explain. This was not necessarily the case among practitioners even a few years ago.
4. ***Stakeholder/User Consultations*** – The presentations emphasized the value and necessity of stakeholder consultations in the process of building performance frameworks. Their departments involved various stakeholders in determining the criteria for indicator selection, the service areas to measure, and the measures or indicators themselves. The provinces established committees, working groups or round tables to involve municipal politicians, officials, professionals, academics, business groups and community members in system design. They paid particular attention to the meaningful engagement of associations of elected officials and municipal administrators. These consultations increased the quality and length of the process for developing the measurement systems. They remind us that the development process is much more than a technical exercise.
5. ***Measurement Frameworks*** – The provincial frameworks measure a diverse range of municipal service areas. For the most part, they focus on effectiveness and efficiency in service delivery, and the administrative functioning and financial health of municipalities. In some cases, they include measures of community engagement or citizen satisfaction with municipal performance. These frameworks were shaped by the legislative acts guiding municipal responsibility in service provision, and also by current thinking in management theory. From the examples of Calgary, Winnipeg, and the Federation of Canadian Municipalities, the municipal frameworks span the same service areas, though they also measure quality of life in their communities, and quality of staff and ‘business processes’ in their organizations.
6. ***Financial Information*** – The presentations described the central role of financial information in municipal performance measurement. As indicated, most systems examined the financial health of municipalities and used financial data in determining efficiency in service provision. In Nova Scotia, about one-third of the indicators in the program are financial indicators. In Ontario and Quebec, performance reporting is built on existing structures for financial reporting. The Ontario data is collected electronically via the Ministry’s Financial Information Return. In Quebec, over half of the necessary data are drawn from the municipalities’ financial reports to the province. In

these instances, the new measurement programs build on municipal familiarity with existing financial reporting systems.

7. **Testing and Implementation** – The experience of provincial and municipal authorities suggests that the entire measurement framework need not be implemented at the same time. Instead, some parts of the framework will be tested and launched before others. This phased or gradual approach to implementation was seen in the case of Quebec, which requires municipalities to report initially on (only) 19 ‘mandatory’ indicators of the more than 120 indicators in the framework. It was also seen in the case of Ontario, which took three years to ‘stabilize’ their system before expanding it to cover other areas in years four and five. (Ontario municipalities also took a phased approach to identifying best practices using the performance data.) This gradual approach to implementation makes sense given the need to build understanding and acceptance of the system among stakeholders. As well, some performance areas are easier to measure than others given existing knowledge. We have been measuring financial performance for more than a century – so the financial measures are well established – but measuring ‘soft’ areas such as the quality of recreational services in municipalities is still in its infancy.
8. **Quality and Timeliness of Data** – For jurisdictions whose systems are operational, the quality and timeliness of data has been a central concern. This is reflected in the fact that Ontario was able to ‘stabilize’ its measures only after the quality of data was guaranteed. Ensuring data quality meant defining measures, categorizing service practices, relying on existing structures (for financial reporting, say) and examining and ‘cleaning’ the reported data. Ensuring data quality takes time, which affects the timeliness of the data. In some cases, the provincial reports prepared in 2004 were presenting 2001 data. Municipalities seem to have shortened the turn-around time for using the reported data (as have the British). Current or ‘real-time’ data would have greater potential use in management processes such as budget preparation.
9. **Capacity Building** – The participants stressed the necessity of building the capacity of municipal staff and council members to understand and use the performance data. This is especially important for smaller, remote municipalities. In Ontario, Nova Scotia and Quebec, capacity building has taken place through the provision of training, manuals and software. In Quebec, the municipal associations have delivered this training, which provides them with an additional source of income.
10. **Use and Benefits of Measurement** – The provincial systems make the performance data available for management and accountability purposes. The provinces expect the data to influence municipal decision making, especially in funding matters. Certainly, the systems have increased levels of knowledge about municipal performance in providing services and performing functions. Ontario and Quebec are trying to channel this knowledge through centres for municipal best practices, which help municipalities make use of the data for management and service improvement. The measurement systems can also be used for professional development purposes. In terms of accountability, the provincial systems require public reporting of the survey results, which many municipalities do through their web sites. None of the presentations elaborated on the way citizens were making use of the data once they entered the public domain. There is little information on the way the results have influenced public perceptions of municipal authorities. Nor have the provincial systems developed formal structures to reward municipalities for good or improved performance. To many participants, the main benefits of measurement will come once municipalities use the performance data in budget deliberations. However, the complete integration of measurement into management processes has yet to take place.

Recognizing that Canadian practitioners are still in “learning mode” when it comes to municipal performance measurement, the participants were asked at the end of the Charrette about an appropriate “learning agenda.” As John Burke had pointed out, we need to continue to share and learn from each other to determine the best ways of developing, implementing and reporting measures, and identifying

performance targets. While there is momentum in this new field, and valuable lessons are being learned, it seems premature to identify the best practices in municipal performance measurement until the benefits are better known.

Toward this end, the participants suggested that we strengthen our understanding of the experience of Canadian municipalities in developing and using performance measurement systems. As the group discussed, this could be done through research and a follow-up Charrette for municipal officials to share their experience with provincial and territorial government colleagues.

## 2. Charrette Proceedings

### 2.1 Why Are Provinces and Territories Promoting Performance Measurement for Municipalities?

**John Burke, Deputy Minister of Municipal Affairs, Province of Ontario.**

#### Summary

In this opening address, John Burke welcomed participants to Canada's first-ever provincial-territorial Charrette on municipal performance measurement. The Charrette is an opportunity to share experiences and advance the state of municipal performance measurement. Why is performance measurement important? In Canada, municipalities — especially urban municipalities — are facing increasing demands to deliver more and better services. This comes as local governments are facing a tight fiscal environment, ever-tougher environmental laws, a need for new infrastructure and for costly repairs to aging existing infrastructure, and taxpayers who are demanding better value and more relevant services. This adds up to a situation in which municipalities are experiencing a real gap between what they are able to deliver and what is being demanded of them. The Ontario government works with our municipalities to give them better management tools with which to carry out their work. Performance measurement is a particularly valuable and timely tool to help municipal managers determine where they can cut costs ... where they can improve efficiency ... or where they can increase the effectiveness of their services.

#### Welcoming Remarks

I'm very pleased to welcome you to Canada's first-ever provincial-territorial charrette on municipal performance measurement. The Ontario Ministry of Municipal Affairs and Housing arranged for this gathering because we believe meetings of this kind present a unique opportunity to share our experiences and, through this, to advance the state of municipal performance measurement. I also want to take this time to acknowledge the assistance and coordinating role played by IPAC, and I want to thank IPAC's Director of Research, Patrice Dutil.

I mentioned this is the first time provincial representatives have met for this type of gathering. I find it exciting because our jurisdictions each have different experiences with municipal performance measurement, and we are all at different stages in the process. Not only that, but in some jurisdictions municipal performance measurement is mandatory, while in others it is not. From the variety of approaches and experiences, we can learn a lot from each other.

As you will hear tomorrow from Larry Clay, my director of Municipal Performance and Accountability, in Ontario, we are using performance measurement as a means of identifying best practices in municipal service delivery. To do this, we have established the Ontario Centre for Municipal Best Practices. This is a Web-based "virtual centre" that was set up in partnership with Ontario's umbrella municipal association, the Association of Municipalities of Ontario.

In Canada, municipalities — especially urban municipalities — are facing increasing demands to deliver more and better services. This comes as local governments are facing:

- a tight fiscal environment;
- ever-tougher environmental laws;
- a need for new infrastructure and for costly repairs to aging existing infrastructure; and
- taxpayers who are demanding better value and more relevant services.

This adds up to a situation in which Ontario's municipalities are experiencing a real gap between what they are able to deliver and what is being demanded of them. I mentioned that we are in a tight fiscal

environment, so the province has to look for ways to support municipalities that are not always directly financial.

In Ontario, we're on the verge of exploring new relationships with our municipalities. In late March, Premier McGuinty wrote to all municipalities in Ontario to outline a new partnership with our local and regional governments – a partnership that will include new governance and financial tools for municipalities.

As well, we can work with our municipalities to give them better management tools with which to carry out their work. Performance measurement is only one tool, but one that is especially valuable and timely. As you all know, in Canada, this is a very new field. In the U.K, they have been doing this for quite a while now, but for us, we're still in "learning mode". And because of this, we need to share and learn from each other to determine

- the best ways of identifying appropriate targets for performance measures;
- the best ways of developing performance measures;
- the best ways of implementing performance measures; and
- the best way of reporting performance measures.

In Ontario, we have drawn on the expertise of our municipal partners to identify appropriate service areas and to come up with suitable performance measures. We believe this worked out very well. Municipal staff have done tremendous work and their support has been very good.

Implementation at the very beginning was another matter. Many people were suspicious of our intentions, and it took a lot of consultation to bring our municipalities on board. As Larry Clay will tell you tomorrow, it took a great deal of work and commitment — on both sides — to get to a "comfort level" that would overcome some of the early apprehension. Certainly, there is still much more to be done to get us to the point where performance measurement reaches its full potential, but we are happy with the progress we have made.

In Ontario, we are stressing that performance measurement is a tool for municipal managers to help them determine where they can cut costs ... where they can improve efficiency ... or where they can increase the effectiveness of their services. And this approach is beginning to take hold with our stakeholders.

So, this Charrette has us quite excited here in Ontario. I'm hopeful this "experiment" will leave each of us with something new that we can take home and apply in our own jurisdictions. This is a first step in what we hope will become an ongoing dialogue on this important matter. Who knows, maybe we can apply this model to other important issues we all face, such as infrastructure, governance and municipal finance. For tonight, though, enjoy your dinner and for tomorrow, I wish you an informative day.

## 2.2 Measuring Municipal Performance: the UK Experience

### **Dame Mavis McDonald, Permanent Secretary, Office of the Deputy Prime Minister, United Kingdom**

Mavis McDonald has been Permanent Secretary to the Office of the Deputy Prime Minister since its creation in May 2002. She was Permanent Secretary for the Cabinet Office from August 2000. She was educated at the London School of Economics. She joined the Ministry of Housing and Local Government in September 1966; served in the private office of the Minister for Housing and Local Government (1969-70), and the Secretary of State for the Environment (1970-71) when the broad-based Department of the Environment (DOE) was set up; and was Private Secretary to the Permanent Secretary, Sir James Jones (1973-75). Her subsequent posts included financial management, human resources, local government finance and reorganisation, and social housing policy and programmes. From 1995 to 2000, as Director General at the DOE and then the Department for the Environment, Transport and the Regions (DETR), her responsibilities included wildlife and countryside policy, housing, land use planning, construction industry sponsorship, and regeneration. She is a lay Governor of Birkbeck College, University of London; a member of the Advisory Board for the Warwick Institute of Governance and Public Management and an honorary member of the Chartered Institute of Housing. She was a board member of Ealing Family Housing Association (2001-02); a member of the Committee of Management Broomleigh Housing Association (1995-96) and a non-executive Director of Tarmac Housing Division (1988-91).

### **Summary**

Over the past decade, the central government in the United Kingdom has taken on a greater responsibility for funding local councils. It has also introduced new tools and processes for priority setting, planning and accountability at the local level. This presentation describes the local government context in the UK and some of the tools used in improving local government performance. This includes the Audit Commission's mandatory performance measurement program – the Comprehensive Performance Assessment.

### **Office of the Deputy Prime Minister (ODPM) Responsibilities**

The ODPM has responsibilities in the following areas:

- Regional and Local Governance
- Local Government Funding Taxation Policy and Performance
- Regional Economic Growth and Regeneration Policies
- Land Use Planning
- Housing
- Homelessness
- Renewal of disadvantaged Neighbourhoods
- Social Exclusion
- The Fire Service
- Government Office for the Regions

### **Strategic Priorities and Public Service Agreements (PSA)**

The UK government introduced Public Service Agreements for government departments as a priority setting, planning and accountability tool. The PSAs link with a department's strategic priority

framework. For instance, the ODPM strategic priorities are focused on Creating Sustainable Communities through the implementation of five strategies. These strategies and the relevant PSAs are:

- Delivering a better balance between housing supply and demand
  - PSA 5 (housing markets), PSA 6 (planning)
- Ensuring people have decent places to live
  - PSA 7 (decent homes), PSA 1 (neighbourhoods), PSA 5 (housing markets)
- Tackling disadvantage
  - PSA 1 (neighbourhoods), PSA 7 (decent homes)
- Delivering better services
  - PSA 4 (local government), PSA 1 (neighbourhoods)
- Promoting the development of the English regions
  - PSA 2 (regional economic performance), PSA 3 (referendums)

## United Kingdom and its Regions

In the United Kingdom, central government authority, structures and functions have devolved from the UK Parliament and Government to:

- Scotland (Scottish Parliament)
- Wales (National Assembly)
- London (Mayor and GLA)

These regions established Elected Regional Assemblies (ERAs) following a ‘Yes’ vote in regional referendums. The ERAs govern with decentralized power from central government and with greater local accountability. They allow authorities to tailor decisions to the region, and to rationalize the number of plans and strategies for development and management. The arrangements are asymmetrical in so far as the structures and functions of the ERAs were designed with regional objectives and conditions in mind. Where ERAs were established, there is a unitary local authority structure.

## Local Government Structure in England

Local government structure in the UK is comprised of five types of local government units. These include region, county/district, London Borough, unitary and metropolitan districts.

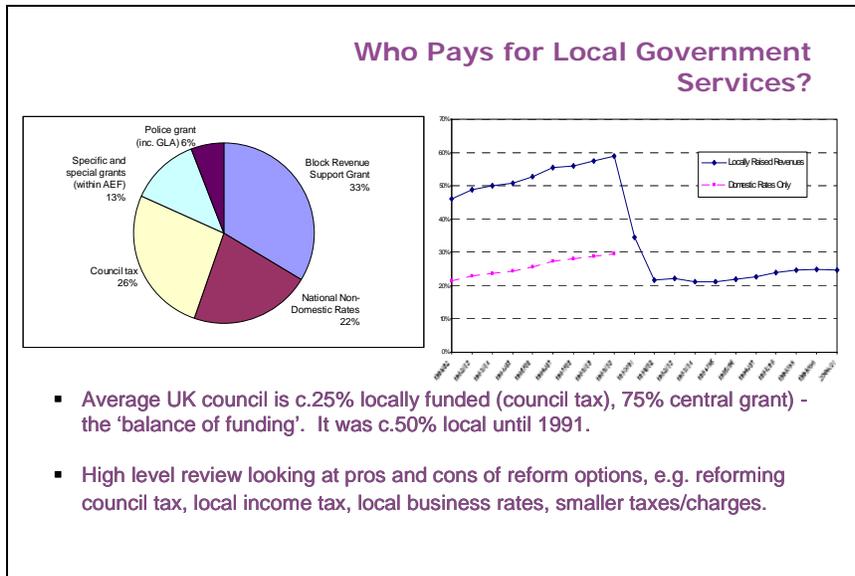
In this structure, single tier councils are responsible for all functions and services. The single tier councils include 36 metropolitan authorities, 47 unitary authorities and 33 London Boroughs.

The responsibility of two-tier authorities for functions and services varies for county councils and district councils. The 34 county councils are responsible for major functions such as education and social services. The 238 district councils are responsible for local functions and services such as housing, planning, refuse collection, environmental health, parks and open spaces.

## Who Pays for Local Services?

The ‘balance of funding’ for local councils has shifted toward greater central government funding in recent years. At the present time, the average UK council is about 25% locally funded (council tax) and 75% centrally funding (central grant). Until 1991, it was about 50% local and 50% central.

There is currently a high level review looking at pros and cons of reform options, e.g. reforming council tax, local income tax, local business rates, smaller taxes/charges.



## Changing Local Government World

With greater funding responsibility, the UK government has introduced various tools to help strengthen local government performance. In the 1990s, it introduced Compulsory Competitive Tendering. This opened service delivery to external competition, although the focus was on the cheapest not the most cost-effective service delivery.

By 1999, the government introduced Best Value, which helped ensure that local governments delivered effective, economic and efficient services on a continuously improving basis, and that these services met the needs of local communities.

In 2002, the government introduced the Comprehensive Performance Assessment, which is a transparent performance management framework for local governments.

## Best Value Performance Indicators

Each year the central government sets Best Value Performance Indicators (BVPIs) to provide data on the key aspects of local government services, in order to provide an overall picture of local government performance. Local authorities are legally obliged to collect and report data against each BVPI.

In 2004/05, the central government set a total of 98 BVPIs. One example of a BVPI is the percentage of household waste sent for recycling. The Audit Commission collects, checks and publishes performance against BVPIs.

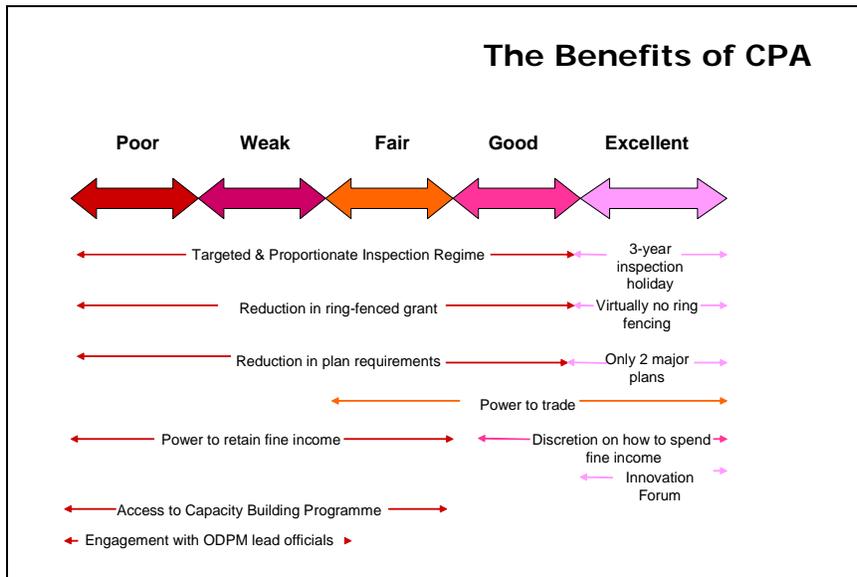
But BVPIs only provide raw data. On their own, they do not tell us anything about the context in which a local authority is working. Inspections therefore form another strand of the local government performance management framework e.g. OFSTED education inspections.

## Comprehensive Performance Assessment

In 2002, the government introduced Comprehensive Performance Assessment (CPA) in order to deliver clear and consistent public information on council performance. The assessment information also provides a basis for interaction between central and local government through targeted inspection, support for the poorest performing local governments, and freedoms and flexibilities for the best. The CPA fosters a balance between national priorities and local issues.

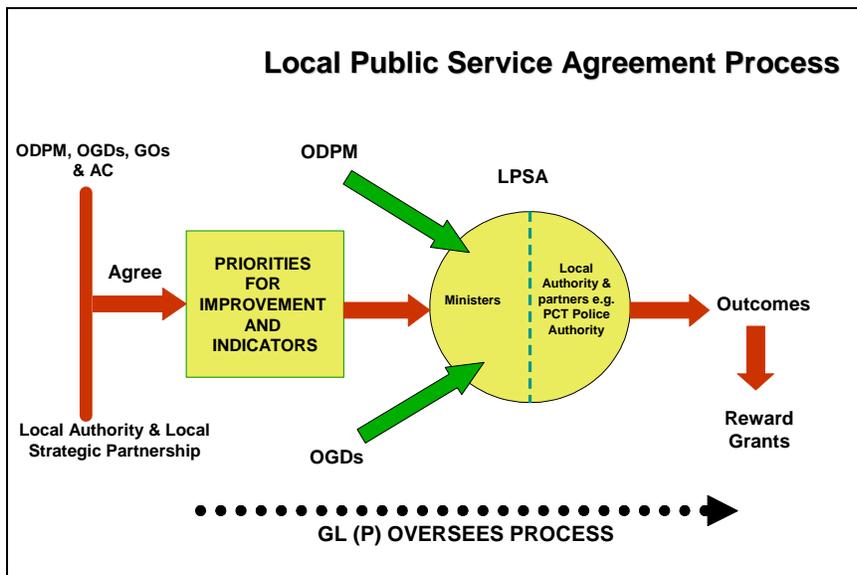
In implementing the CPA, the Audit Commission brings together a variety of existing performance information including inspection reports, performance indicators and plan assessments. The Audit Commission couples this existing information with new information gained through self-assessment by councils and external audits by the commission.

The benefits of the CPA are summarized in the following graphic. As local governments improve their performance, they are granted greater independence from the inspection regime.



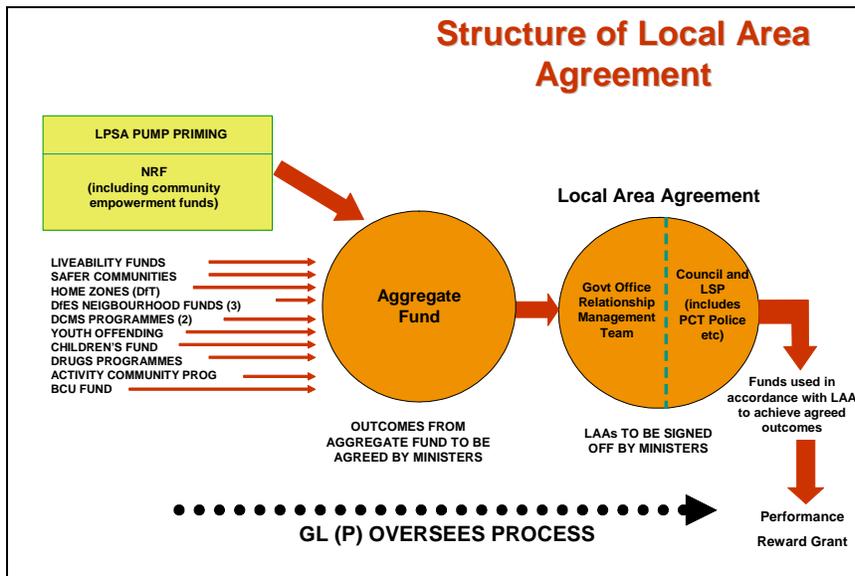
## Local Public Service Agreement Process

The following graphic describes how the local public service agreement process works:



## Structure of Local Area Agreement

The following graphic describes the structure of the local area agreement:



## The Future

In the future, the central authorities would like to place greater emphasis on the following:

- Lighter Touch Inspection
- Local and Central Government Relationship
- Being more customer focused

There are challenges for central, regional and local government to improve further, in order to deliver improved services. We do not need more inspection so much as more *effective* inspection of local authorities. At the same time, we recognize the need to measure success from the customer's perspective. Finally, the central government needs to achieve balance between agreeing to outcomes and prescribing processes for local authorities.

## 2.3 Municipal Performance Indicators in Québec

### Claude Brochet, Québec Ministère des affaires municipales, sports et loisirs

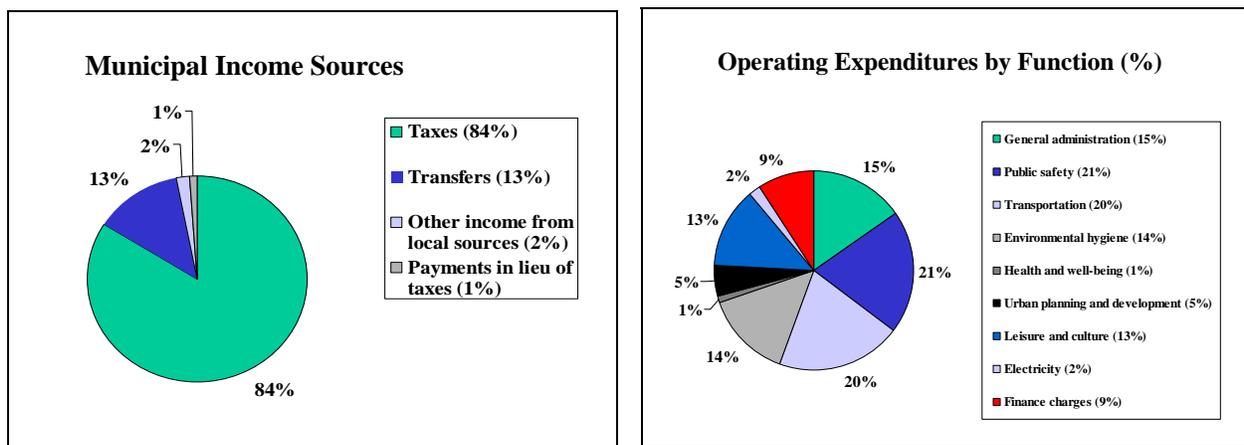
Claude Brochet is Research Officer, Ministère des Affaires municipales et de la Métropole in Quebec City. He prepares reports requested by the minister, deputy ministers, and managers on matters of accounting and municipal finance. He represents the department on various working committees made up of municipal officials and representatives of professional accounting bodies, and he helps guide the work of certain committees on matters of municipal finance. Prior to this, Claude was Auditor, Ministère de la Sécurité publique, Québec City, where he audited reports, suggested auditing methods and developed auditing programs. This was the first of two presentations made in the panel on 'Establishing Performance Indicators Frameworks'.

### Summary

The Québec government has used technology to reach its performance measurement objectives. It has developed software to monitor 100 performance indicators. This software will be available free of charge to municipalities. Quebec municipalities will be required to report on 19 of the 100 in the first year of application. Public performance reporting will be required within one year.

### Introduction to the Municipal Sector in Quebec

The province of Québec covers an area of 1.6 million sq. km. and has a population of 7.4 million people. There are 1098 local municipalities, and nine cities with more than 100,000 inhabitants, in the province.



### Background to the Performance Measurement Program

The following were prerequisites for the selection of the municipal indicators:

- The indicators had to take into account the new accounting rules that came into effect on January 1, 2000. They established fiscal-year accounting and new way of costing municipal services.
- The indicators had to be developed through partnership and community involvement.
- Consultation of elected representatives.

In the fall of 1999, the *Ministère des Affaires municipales* asked a working group made up of community representatives to research and develop performance indicators for the municipal sector. This working group (round table) was by the community, for the community.

## Objectives for Performance Measurement

- To improve the performance of municipal organizations in providing municipal services
- To help the elected officials and civil servants in municipal organizations better understand changes in the quality of services provided and the financial health of their organization
- To promote better decision-making by producing operational and strategic data on municipal service management
- To provide taxpayers with more relevant information on municipal service management in order to better meet their needs

## Round Table

The Round Table (or working group) was made up of the following stakeholders:

- Four Québec municipal executive associations
- Three professional accounting bodies (CA, CGA, CMA)
- One project manager, a professor from HEC in Montréal
- *Ministère des Affaires municipales, du Sport et du Loisir* (MAMSL)
- Collaboration with two associations of elected municipal representatives:
  - Fédération québécoise des municipalités (FQM)
  - Union des municipalités du Québec (UMQ)

## Work Phases

The work is being done in three work phases:

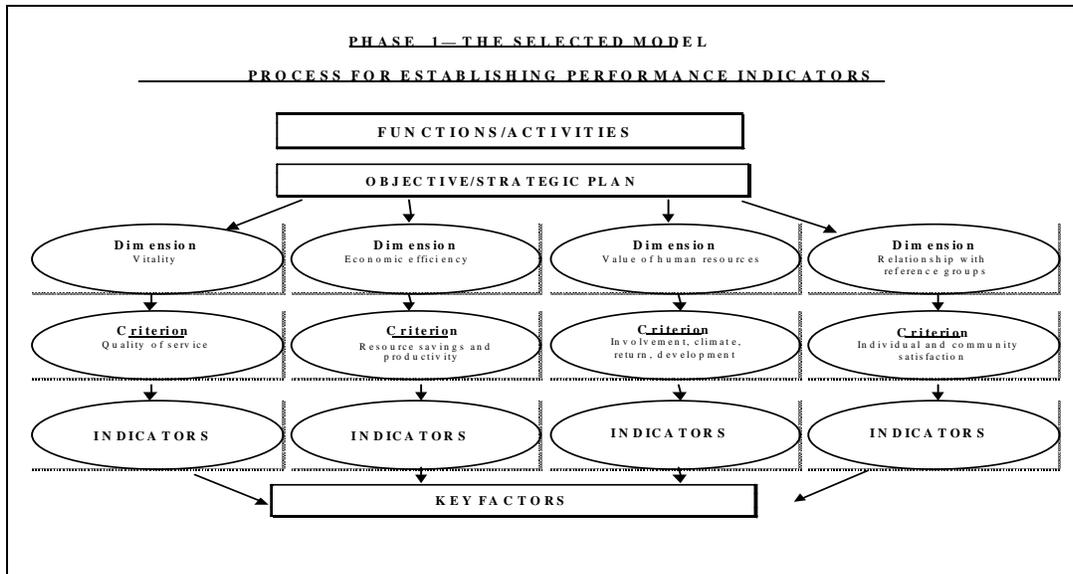
- I- Development of the theoretical model and identification and development of municipal indicators
- II- Benchmark testing and selection of indicators
- III- Specific initiatives

### **Phase I – October 1999 to October 2000**

The objectives for Phase I were to conduct research to develop a model with a solid theoretical foundation, and to analyze experience in Canada and elsewhere in the world.

The work resulted in the development of a theoretical model (or management tool) that allows for easy data calculation; is transparent and easy to understand; makes allowances for local differences; and evaluates more than economic efficiency.

The selected model is described in the following exhibit. The key factors of success in the first phase were the collaborative approach taken, and the solid theoretical model that was developed.



### Phase II – November 2000 to September 2002

The second phase involved implementing the benchmark test and selecting the indicators. The benchmark test involved 42 municipalities that were representative in terms of administrative regions covered, population, type of municipal organization, and budget. The objectives for the benchmarking test were as follows:

- To improve, reject, or endorse indicators
- To determine why data are unavailable
- To shed light on the difficulties encountered
- To identify the key factors

In addition to benchmarking, we underwent consultation with various associations not participating in the working group (leisure, engineers, and so on). The successful completion of Phase II was due in large part to the effectiveness of the consultations with associations of elected officials during the testing and selection of indicators.

### Phase III – January 2003 to March 2004

This third phase involved a series of initiatives that only recently were completed. These initiatives included: the categorization of municipalities and identification of the factors influencing performance data; a citizens' survey; training; and the development of calculation software.

The ministry used six categorization criteria for municipalities:

1. Type of organization
2. Population
3. Density
4. Territory (urban and rural area in km<sup>2</sup>)
5. Housing stock (value of property)
6. Operating budget

The factors influencing performance were examined during the analysis of findings. Municipalities were measured first against themselves – according to their own specific traits, depending on the choices made,

and in light of their own factors of influence. Then they were compared with other municipalities with the same characteristics and in light of the factors influencing their performance.

For example, the factors of influence affecting performance in the provision of drinking water are:

1. Regulations governing water
2. Condition of equipment
3. Type of treatment
4. Capacity of treatment plants
5. Number of pumping stations
6. Inspection program

The citizen survey, or poll, is one facet of the selected model. The criterion for performance is individual and community satisfaction. The survey measured individuals' perceptions of municipal services, which would provide additional guidance to decision making and help set priorities.

The ministry also helped develop educational material for the training of managers and elected representatives in the use of the indicator program. Municipal associations in Quebec provided the training, which became a source of revenue for them. The training was a key to success in the program.

The calculation software allows all municipal bodies to use the indicators program (or management tool). The software, which calculates all of the 120-plus proposed indicators, is simple and effective. It is available free of charge on the department's web site.

## Implementation Process

Municipal participation in the program forms part of a statutory requirement. After consultation with the municipal unions, the minister may:

- Establish performance indicators
- Prescribe implementation procedures that may vary according to organization category
- Prescribe procedures for informing the community

A statutory amendment was adopted in June 2002. In December 2003, the word "performance" was changed to "management."

## Indicators of Municipal Performance

The program has more than 120 indicators of municipal performance. This includes 19 mandatory indicators, which focus on functions that closely affect individuals. The mandatory indicators include:

- Municipal roads (3)
- Snow-removal (2)
- Water supply, treatment of drinking water and distribution network (5)
- Wastewater treatment and water supply system (2)
- Overall financial health (7)

The indicators adopted had these characteristics: they are easy to calculate and based on accessible data; they are applicable to all municipalities, regardless of size or budget; they are representative and useful; and they are easily understood by citizens, elected representatives and managers. Over half of the necessary data are drawn from the financial report of the municipality.

The municipalities submit the data on the mandatory indicators to MAMSL before September 30 of each year. The first submission will take place before September 30 2004 for 2003 results. The municipalities will use the same software that they use to prepare financial statements and budget forecasts. Over half of the necessary data are drawn from the financial report.

Communication of results to citizens will be mandatory after the first year. The results will be disseminated at a regular council meeting or through publication in a local newspaper or in a municipal newsletter.

### Impending Stages

- Official launching
- Follow-up (mandatory number, bodies covered)
- Analysis of good municipal practices

### Centre de promotion de l'excellence en gestion municipale

The Mission is to seek and divulge good management practices. The objectives are to:

- monitor changes in indicators in certain fields;
- pinpoint the best management practices;
- act in concert with municipal bodies to share and adopt best practices.

### Conclusion

- The methodological basis is sound.
- Benchmarking is essential.
- Data must be accessible and easy to calculate.
- Training is mandatory.
- The community must be involved (the associations, and so on).
- We need to consider whether indicators are needed in a process of change and improvement.
- Tools are provided to foster implementation (CD-ROM, training, information line).
- Implementation will be gradual (19 mandatory indicators).
- An agency such as the *Centre de promotion de l'excellence en gestion municipale* is needed.

### Special Note

On May 28, 2004, the Quebec Minister officially launched the measurement program during a congress of a municipal employees association. Before September 30, 2004, Quebec municipalities will have to send data to MAMSL on 19 mandatory indicators based on 2003 figures. The *Centre de promotion de l'excellence en gestion* will begin its activities in the autumn 2004.

See the announcement and other information on the program at [www.mamsl.gouv.qc.ca](http://www.mamsl.gouv.qc.ca)

## 2.4 Toward Local Government Capacity and Performance Measures in New Brunswick

### **Katherine d'Entremont and Johnny St-Onge, Department of Environment and Local Government, New Brunswick**

Katherine d'Entremont is Director, Local Governance and Community Leadership Branch, New Brunswick Department of the Environment and Local Government. The branch serves as the main provincial point of contact between the province and the municipal level of government - the 8 cities, 29 towns and 68 villages - and provides service through ongoing daily contact with appointed and elected municipal officials and municipal associations. Prior to her work with the municipal sector, Katherine held a variety of public sector positions, including in Education, Adult Education, and various Corporate Human Resource Management functions. She holds a Bachelor of Education, a Certificate in Adult Education and a Masters in Public Administration.

Johnny St-Onge is a Project Manager, Local Governance and Community Leadership Branch, with the New Brunswick Department of Environment and Local Government. He is primarily responsible for overseeing the establishment and restructuring of local governments. He is also responsible for overseeing the governance of various regional service bodies, such as Solid Waste and Planning Commissions, and for the provision of legislative and technical tools to foster and facilitate the shared provision of other services among communities. Johnny recently became responsible for developing other tools to enhance municipal performance and its measurement. Prior to his work with the branch, Johnny held a variety of public sector positions, including with the Land Use Planning Branch of the department and with two municipalities. He holds a Bachelor of Recreation and a Masters in Community Development.

### **Summary**

The New Brunswick government is committed to creating a new form of local government and to encouraging the establishment and restructuring of local governments, in an effort to promote a more effective, efficient and equitable provision of local services. This commitment grew from a round table discussion of stakeholders in 2000-2001 and public consultation conducted by a select committee of the legislative assembly in 2002-2003. In support of this initiative, financial and community capacity targets are being developed to guide future establishment and restructuring of local governments. (Two examples of capacity targets are the size of the municipal population and tax base, and the level of common interest in the community.) While the aim of capacity targets will be to provide adequate financial and community capacity to achieve service performance as defined and required by the provincial government and by citizens, much will depend on good local governance. The department is currently considering the development of local government performance targets and measures. A key consideration as we move forward in this process will be how to engage the local government sector along with the various stakeholders in a manner that will foster continued provincial-municipal collaboration.

### **Overview**

The presentation has three parts to it:

- Current organization of local government in New Brunswick
- Recent initiatives to improve local governance
- Achieving enhanced performance: how we could get there
  - Viability targets: incorporation, restructuring
  - Local Government Performance: targets, measures, service plans and reviews, comparison, best practices

## Current Organization of Local Government in New Brunswick

New Brunswick has a population of 729,000 people. About 63 % of the population lives in municipalities, and 37 % of the people live in unincorporated areas.

There are 373 local entities. These include 103 municipalities, 269 local service districts, and one rural community. About 82 % of the local entities have a population of less than 2,000 people. In Brunswick, there is one local entity for every 2,000 citizens.

## Initiatives to Improve Local Governance

In recent years, the NB government has undertaken a series of initiatives to improve local governance in the province. Some of these initiatives include:

- A round table of stakeholders in 2000-2001.
- Public consultation by a select committee of the legislative assembly in 2002-2003.
- Government's response in 2003.
- Implementation of government response in 2004 and beyond.

The initiatives are meant to achieve benefits in specific areas. They will result in a new form of local government for rural areas. They are meant to encourage the establishment and restructuring of local governments. They should improve the structure and decision-making process of regional service commissions, and help establish provincial land use policies and regional planning.

## How to Achieve Enhanced Performance

In order to help achieve enhanced performance of municipalities, the provincial government is introducing 'viability targets' for municipal incorporation or restructuring. This includes reviewing or determining the following:

- Municipal boundaries (or benefiting areas)
- The size of the municipal population and tax base
- Strength of people's interests and ties with the municipality
- Economic strength and stability of the municipality
- Strength of local support

At the same time, the province will introduce a strategic framework for local government performance. Building the framework includes:

- Setting targets and measures
- Requiring a multi-year service plan and its annual review
- Comparing performance
- Sharing best practices

The planned work is being built on our experience in solid waste management. This experience involved undertaking public and key stakeholder consultations about waste reduction and diversion; the establishment of province-wide standards for effectiveness in solid waste management; and the preparation of a regional solid waste reduction and diversion plan.

## Potential Next Steps

Some of the next steps being considered are:

- Conduct public and key stakeholder consultations to determine what service quantity, quality and cost are desirable, and what accountability measures should be in place?
- Prepare discussion paper, carry out detailed discussion with key stakeholder groups, and implement household reply cards.
- Establish performance targets and measures for local governments in areas of service effectiveness (quantity and quality) and efficiency (cost and distribution of resources) (to be regulated).
- Require local governments to adopt a multi-year (for a period of not less than 10 years) service plan and its annual review (to be regulated). The multi-year service plan would specify the range, scope, level and cost of services to be provided, while the annual review would evaluate the performance and set needed improvement targets.
- Compare municipal performance on an annual basis through a provincial report.
- Identify and share best practices.

## Learning Objectives for Today

The team from New Brunswick came to the Charrette with these learning objectives:

- Should provincially determined performance targets precede the evaluation of local government performance?
- Should the long-term service plan be an important part of the toolkit?
- How can we best manage the relationship between the provincial and local levels of government as we develop and implement performance targets and measures?

## Discussion Points

These items raised a good amount of theoretical debate and discussion throughout the day. One participant asked about the responsibility of the province in setting standards, and whether the province is held to account in relation to standards and costs.

The team from New Brunswick responded using the example of drinking water:

- The funding relationship bears on whether performance is reported to the province or the public. Take the example of drinking water. The province is responsible for setting the standard for drinking water. It has responsibility for making sure inspection and testing take place. If something goes wrong, no one argues with the notion of the province policing that and the final outcome being at the provincial/public level. Most provinces have general municipal safety standards; they set the framework in the locked funding relationship. So in this case the municipalities report to the province. However, when you get into how efficient or how cost effective your water delivery services is – as opposed to whether the water is clear – the municipalities fund this, so they should be reporting to the public. Funding relationships dictate where you want to go with this.

A participant from Ontario added these comments:

- In Ontario, we have gone through dramatic restructuring. We've gone through the issue of who owns the service, who is accountable for performance? The municipal sector pushed back on the idea of being measured in areas for which they have no ability to influence or control. It is important to recognize there is a fine line in some respects. There is regulatory responsibility,

shared financial responsibility, and responsibility for facilities, which in our jurisdiction are so clearly distinguishable. In any case, each jurisdiction will wrestle with these kinds of issues so it is essential to get stakeholders involved early in the process and to manage relationships effectively.

A participant from Alberta added these comments on setting performance targets:

- In Alberta, we initially thought we wouldn't set performance targets, but in the end we did, we had to. We knew the media would arbitrarily set standards and targets for municipal performance in their newspaper articles, in the graphics they produce. So now, at the provincial level, we benchmark performance and set performance targets in areas of cost efficiency, for example. We convinced people to do a performance measurement and benchmarking exercise. We produced a 30-page report setting standards and benchmarks with regard to local governments. This is consistent with the Municipal Governments Act (1995). Municipalities come to us for advice on meeting standards and we provide them with materials to use.

## 2.5 The Nova Scotia Municipal Indicators Program

### Robert Houlihan, Service Nova Scotia and Municipal Relations

Bob Houlihan is Municipal Advisor in Service Nova Scotia and Municipal Relations. Prior to this position, Bob was Senior Financial Analyst in the ministry for three years, and Manager Financial Accounting in the Nova Scotia Department of Finance for two years. Bob held various financial positions with the City of Halifax and Halifax Regional Municipality over a 12-year period. Bob is Corporate Secretary to the Board of NS Municipal Finance Corporation. He is an Associate of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants – the organization responsible for accounting recommendations in Canada. He has a Bachelor of Commerce from Saint Mary's University and was designated a Certified General Accountant. Bob's presentation was the first of two presentations in the panel entitled 'Establishing and Enforcing Municipal Standards.'

### Summary

The Nova Scotia Municipal Indicators is a joint Municipal/Provincial Initiative to develop a more comprehensive and sophisticated analysis of municipal well-being. The indicators are meant to prompt investigation into variances, encourage best practices and lead to a more strategic approach to municipal policy making at both the provincial and municipal levels.

### Nova Scotia Environment

Nova Scotia has a population of 900,000 people. There are 55 municipalities in the province, including three Regional Municipalities, 31 Towns and 21 Rural Municipalities.

### Why Municipal Indicators?

The Municipal Indicators are a set of 41 *financial, community, governance and performance* indicators that are meant to prompt investigation and analysis. They were developed in order to

- Encourage municipalities to develop a strategic approach to policy development and management
- Help understand the challenges faced by municipalities
- Provide “accountability” to the public
- Encourage best practices that will lead to effectiveness and efficiency in service delivery

### Development of the Indicators

The Indicators program has its origins in the Departmental Business Plan 1999.

Different names were considered for the program:

- *Viability Measures* – but what could this imply about Provincial Funding?
- *Sustainability Indicators* – Will this feed the Amalgamation process?
- *Municipal Indicators* – A more generic and less offensive name for the program.

In developing the indicators, SNSMR carried out an extensive review of literature and held consultations with academics, practitioner and the municipal community. A joint provincial/municipal steering committee was established. A consultant group was hired and they carried out focus group interviews. A departmental committee reviewed all the information and selected 41 indicators. Throughout the process, SNSMR continually updated the Association of Municipal Administrators on the status of the project.

In September 2002, the Municipal Indicators program was launched.

## Choice of Indicators

SNSMR chose the 41 indicators because of:

- Ease/cost of collection
- Accuracy
- Perceived redundancy
- Anticipated municipal perspective was one of acceptance and relevance of the indicators.

## Using the Indicators

The main users of the indicators are:

- Service Nova Scotia and Municipal Relations
- Nova Scotia Municipalities
- General Public
- Business Groups

They are used in the following ways:

- To provide advance notice of opportunities or threats allowing municipalities to meet challenges and seize opportunities
- To compare one municipality with others
- To identify trends
- To identify and implement best practices
- To provide an objective basis for the development of policy at the provincial level

No single indicator by itself will tell the whole story but all the indicators taken together will give a fairly good picture of the condition of a municipality

## Municipal Indicators

The Municipal Indicators are organized into four separate categories:

- Financial Indicators (14)
- Community Indicators (6)
- Governance Indicators (5)
- Performance Indicators (16)

The *Financial Indicators* are intended to broadly assess the financial condition of a municipality.

- Revenue (4) – Taxes as a % of total revenue; transfers from other governments; residential tax burden; uniform assessment per dwelling unit.
- Expenditure (2) – Mandatory expenditures; expenditures per dwelling unit.
- Operating Position (4) – Liquidity ratio; deficits last five years; uncollected taxes; reserves as a % of expenditures.
- Debt (2) – Debt service ratio; debt outstanding/uniform assessment.
- Capital (2) – Capital from revenue; total capital from operating.

The *Community Indicators* help define the municipality's external environment.

- Economic (2) – Increase in uniform assessment; commercial/total assessment.
- Social (2) – Average household income; residential tax burden per average household income.
- Demographic (2) – Change in population; age profile.

The *Governance Indicators* provide insight into how a community engages in the activity of municipal government.

- Indicators (5) – Voter turnout; municipal elections candidates; training costs per employee; succession planning; strategic planning.

The *Performance Indicators* are measures of efficiency and effectiveness.

- General Government Services (3) – Documentation; legislative per capita; administrative per capita.
- Police (2) – Police services per \$1,000 assessment; police services per capita.
- Fire (2) – Fire services per \$1,000 assessment; fire services per capita.
- Transportation (1) – Roads and streets
- Wastewater (2) – Storm and wastewater per kilometer; sewer main back ups per kilometer.
- Solid Waste (3) – Solid waste collection per ton; solid waste disposal per ton; recycling costs per ton.
- Water (3) – Water treatment and distribution; water tests; water main breaks per kilometer.

## Procedures and Enforcement

- Municipalities are required to file financial statements, annual operating and capital budgets and general returns with the province.
- Provincial staff review information, adjust for comparability, calculate indicators and input information for display on the Municipal Indicator web site
- Municipal reporting requirements are contained in the *Municipal Government Act* and regulations under the Act
- *Municipal Grants Act* authorizes the province to withhold grant payments if information is not received
- Amendments to the *Municipal Grants Act* will allow the Minister to “determine” information if it is not submitted by the date stated by the Minister

## Program Success

Nova Scotia's municipalities, the Association of Municipal Administrators, and business groups, have provided positive feedback to the program.

## Questions and Answers

*Question:* I'm interested in knowing how quickly you make the data available. Do you post clean or raw data? Do you identify the data for individual municipalities?

We have 55 municipalities in Nova Scotia, so it takes a lot of staff resources to manage the data. We do the work in house using provincial staff. We take the municipal data and examine them and make sure they are comparable and we do the calculations. The province puts the data on the web site. We report

averages on the web site, but we don't have benchmarks, and we don't do other kinds of manipulation of the data. We have spread sheets available on web site, but if the public wants to compare indicators from a couple of municipalities, then they must do it themselves.

*Question:* What issues have been raised in the use of the program since it became operational?

I can't think of a case where there's been a difficult situation. We had one question from one municipality that didn't like the debt ratio for that particular year. We answered this question using a list-serve that links all municipal administrators in Nova Scotia. This helps dispel the myth that we would adjust things for particular circumstances.

*Question:* What did the municipalities think of this program when you first thought of it? How did the relationship change throughout the process?

We had a good relationship with municipalities at the time we began this process. But municipalities were suspicious; they wondered why we were doing this; they wondered what we were going to take away from them. So we received some negative feedback at first, but with time some of that suspicion started to fade away.

*Question:* Would it be fair to say that this was a provincial initiative at the start, but then as it got going it become a joint provincial-municipal initiative?

Yes. The idea for the program emerged in the ministry business plan, but we wanted the program to be a joint initiative from the start. We realized we didn't have all the tools that we needed, so we developed it from there. What can we do in this particular area? What should we be doing? How should we be helping the municipalities?

*Question:* How did economic realities facing municipalities factor into the design of the program?

They were certainly part of the picture. Some municipalities are facing a migration of people to bigger centres or other provinces. Maybe now, the resources are there, but in 10 years things will be different. So economic factors have to be taken into consideration when you design these measurement programs. They play a role in evaluating the sustainability and viability of the path of municipal governments.

*Question:* How long did it take for data validation? Do you wait for 100 percent of the data to be provided before uploading the data to the web site? Or do you have a critical mass at which point you will act?

This is a challenging problem. The data come from the municipalities, but the provincial staff members go through the data to make sure they are comparable and classified correctly. We follow the provincial auditor's statements. We have edit rules – statements that help us identify calculation errors – and if errors were made, we get a signal in another work sheet to indicate there is a verification error. Then we send the data back to the municipalities. Hopefully this encourages them to check and self correct before they submit their data. This won't eliminate our work in cleaning the data, but it helps move us closer to it.

## 2.6 Ontario Municipal Performance Measurement Program

### **Larry Clay, Director, Municipal Performance and Accountability Branch, Ontario Ministry of Municipal Affairs and Housing.**

Larry Clay joined the Ontario Public Service in 1981, with the then Ministry of Treasury and Economics as an economist. He joined the Ministry of Municipal Affairs in 1991 as manager of the Community Development Branch. In 1996, Larry became involved in the “Who Does What” exercise, which began a major realignment of service delivery responsibilities between the province and municipalities. He went on to hold positions as acting Director of the Ministry’s Regional Operations Branch, with responsibility for the ministry’s regional field offices and Director of Municipal Support Services Branch, responsible for a number of ministry activities, including municipal restructuring, municipal performance measurement, education and training and program delivery. Larry is currently Director of the new Municipal Performance and Accountability Branch, which administers the Municipal Performance Measures Program, and oversees financial reporting and performance, municipal procurement, and research on service delivery practices and innovation.

### **Summary**

Already in its fourth year, the Ontario government’s program continues to invest in a refinement of its methodology, but with a priority on achieving a degree of stability in the measures (to allow for year-over-year comparison). A new ‘Ontario Centre for Municipal Best Practices’ has also been created to use the data to identify practical examples of good service delivery. A continuing challenge for the province is managing communications and the comparison of performance measurement results especially as it begins piloting a web-based system.

### **What is the MPMP?**

The Municipal Performance Measurement Program (MPMP) is a provincial program that was announced October 2000. It is mandatory for all municipalities in Ontario. Its objectives are to:

- Improve service delivery
- Increase accountability to taxpayers
- Increase public awareness and citizen engagement
- Compare performance internally and against others
- Identify best practices

### **Ontario and its Municipalities**

Ontario is Canada's most populous province with approximately 11 million residents. Larger in area than Texas and New Mexico combined, the province comprises dense urban regions in the south, agricultural communities, and sparsely populated northern regions with resource-based economies. Ontario is the economic engine that powers the Canadian economy; the province contributes about 41 per cent of Canada's Gross Domestic Product and accounts for almost 60 per cent of all manufactured exports coming out of Canada.

Ontario has 445 municipalities. The municipal system is a mix of large, regional cities such as Toronto, Ottawa, and Hamilton, and regional and county municipalities with constituent cities, towns, townships, and villages.

Under the Canadian Constitution, municipal governments are created and exist under the legislative authority of the provincial legislature. Ontario maintains close ties to its municipalities in both fiscal

management and program delivery. Authority to mandate programs such as MPMP flows from a provincial *Municipal Act*.

## The Context for MPMP Implementation

In Ontario, performance measurement came on the heels of half a decade of dramatic changes for municipal governments, and continuing change that has presented management challenges for municipalities.

- Starting in 1997, municipally and provincially delivered services underwent a sweeping realignment, disentangling “shared” services and putting the responsibility for managing and delivering certain services exclusively in the hands of local governments. Three billion dollars in services were exchanged, with new responsibilities, including social assistance and social housing, being assumed by municipalities, while 50 per cent of the costs of public education were lifted from the municipal property tax base and assumed by the province.
- Municipal finance reform brought a consistent province-wide market value assessment to municipalities' property tax base for the first time.
- In most areas of the province, municipalities were amalgamated, eliminating many smaller municipalities. The number of municipalities in the province was reduced from 815 in 1996 to 446 in 2000 when MPMP was launched.
- For the first time in 150 years, the province passed new foundation legislation governing municipalities. The new *Municipal Act* lays out a provincial-municipal relationship that is less prescriptive, giving municipalities greater flexibility to organize their affairs and deliver services. With this new authority came requirements for greater accountability to taxpayers.

Changes in the municipal sector are part of a broader provincial commitment to improve public services and increase public accountability for taxpayer dollars. After implementing changes to make the provincial public service itself more accountable, the government turned to municipalities and the broader public sector to demand and support greater accountability for taxpayer dollars. For municipalities, performance measurement became a key initiative.

## Brief History of MPMP

Ontario has a long history of interest in measuring and enhancing municipal service delivery. As early as 1981, the province issued a discussion paper titled *Performance Measurement for Municipalities*, which provided advice and case studies for local governments. The report noted that: "the most progressive municipalities are now recognizing that an essential ingredient in an improved management system is a factual evaluation of efficiency and effectiveness in the services provided. Performance measurement fills the need."

A forerunner of MPMP was Ontario's Municipal Services Performance Measures Project, begun in 1995. Municipal participants proposed performance measures and tested them, then reached a consensus on recommended measures. The program provided extensive opportunities for municipalities to take a direct and active role in building performance measures. A working committee of 55 municipal representatives proposed 71 efficiency (cost related) measures in 14 service areas. Forty-one municipalities volunteered to test these measures, and as a result, the number of measures was reduced to 29. The committee then looked at effectiveness (quality of service related) measures, developing more than 80, a list which was refined to 28 following testing. The project ran over a period of almost five years. The province benefited greatly from the broad municipal representation on the project, and MPMP is in large part based on the results of it.

Municipal officials have also been active in the Ontario Municipal CAOs' Benchmarking Initiative (OMBI), which involves 18 of the province's largest municipalities. OMBI compares detailed

information about specific service levels and activities to arrive at best practices. For example, it contrasts the average time spent per stop on a waste collection route. While it was created by administrators from large municipalities with sophisticated infrastructures, OMBI is now attracting a wider clientele, including smaller municipalities that see the potential benefits of sharing their peers' experiences. As MPMP evolves, there will be opportunities to integrate aspects of these two initiatives.

The Ministry also reviewed the Comprehensive Performance Measurement Program of the International City/County Management Association (ICMA), which has one Ontario participant, Thunder Bay. The experiences of other jurisdictions, including the Organization for Economic Cooperation and Development (OECD), American states and municipalities, the United Kingdom, Australia, and New Zealand, were also studied. The result was a program that benefited from the experience of other jurisdictions, but was tailored to meet Ontario's environment and needs.

The MPMP was announced in October 2000. The first two years of the program were focused on getting the "bugs out" of the system. We made several 'modifications' to the MPMP following its launch. In the third year, we made greater stability in the system. In years four and five, we will expand the reach of the program.

## Key Elements

Some key elements of MPMP are:

- MPMP data is collected electronically via the Ministry's Financial Information Return (FIR). The program builds on municipal familiarity with FIR, and the FIR calculates performance measures automatically.
- The Ontario government requires each municipality to report publicly on MPMP measures. This reporting may be done using the Internet, newspapers, tax bills, or direct mail.
- MPMP Advisory Committee is a multi-stakeholder reference or advisory group, which provides valuable input and endorsement.

## Current MPMP Service Areas

There are currently 40 performance measures in use in 10 service areas. These indicators measure municipal effectiveness and efficiency in delivering services and performing administrative functions. The 10 service areas and the focus of the measures include the following:

- Local government – Administration operating costs
- Fire – fire prevention and firefighting costs
- Police – police services cost, total crime, violent crime, property crime, and youths charged
- Roadways – winter road maintenance costs and winter event responses
- Transit – public transit use and public transit costs
- Wastewater – sewage collection, treatment and disposal
- Storm water – operating costs for urban and rural systems
- Drinking water – treatment costs, 'boil' water advisories, and urban main breaks
- Solid Waste – garbage collection, treatment and disposal costs, and percentage of waste diverted
- Land use planning – preservation of agricultural lands

Libraries and Parks & Recreation are two new service areas being added in 2004 (which will add eight performance measures).

## Related Initiatives

The MPMP was considered and developed in a context of other related initiatives in municipal performance measurement in Ontario. These include:

### Ontario CAOs' Municipal Benchmarking Initiative (OMBI)

- Involving 18 larger Upper Tier and Single Tier municipalities in Ontario
- Comprehensive ongoing project to measure and benchmark key services

### Ontario Centre for Municipal Best Practices (OCMBP)

- “Virtual” centre which uses MPMP and other data to identify and verify best practices
- To date, over 30 best practices identified

### Ontario Fire Marshall's Performance Measurement & Benchmarking System

- System was developed for “In-home” use.
- Developed with input from fire service providers

## Examples of MPMP Reporting

Ontario’s municipalities have a variety of options to report on MPMP. The use of web sites is the most popular method of reporting. Below are four examples of municipal reporting through the Internet.

**Government**

[Mayor and Council](#) | [Committees, Meetings](#) | [Administrative Structure](#) | [Emergency](#) | [Municipal](#) | [Municipal Performance Measurements Statistics](#)

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**Press Release**

**Town of Smiths Falls**  
**Municipal Performance Measuring Statistics**

**October, 2003**

In accordance with Provincial Regulations, the Town of Smiths Falls hereby releases to the Public, the Municipal Performance Measuring Statistics for the year 2002.

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**Town of Smiths Falls Year 2002 Report**  
 (For year ending December 31<sup>st</sup>, 2002 )

Population: 9,140  
 Households: 4,122

Municipal Performance Measures	
Local Government	2002

**Township of MALAHIDE**  
 Ontario Canada

[Council](#) | [Township Services](#) | [Health Services](#) | [Recreation](#) | [Economic Development](#)

**Summary of Municipal Performance Measurements - 2002**

**Local Government Services** Note - only the applicable Performance Measurements are Listed

<b>Operating Cost-General Government Support</b>	<b>17.57% of total municipal operating costs</b>	The cost of local government & central administration as a percentage of the total municipal operating costs
<b>Fire Services</b>		
<b>Fire Protection Costs</b>	<b>\$56/\$1,000 of assessment</b>	The operating costs per thousand dollars of assessment for fire services including firefighters, fire halls, emergency responses, equipment and administration.
<b>Police Services</b>		
<b>Police Service Operating Costs</b>	<b>\$173.98 per household</b>	The operating costs per household for police services. Operating costs include the police force, administration, facilities, communication systems, police boards, prisoner conveyance, equipment and other police protection expenditures.
<b>Violent Crime Rate/1000 Persons</b>	<b>5.07 crimes/1000 persons</b>	
<b>Property Crime Rate/1000 Persons</b>	<b>20.91 crimes/1000 persons</b>	
<b>Number Youths charged/1000 Youth</b>	<b>1.72 Youths charged/1000 youth</b>	
<b>Total Crime Rate/1,000 Persons</b>	<b>48.51 crimes/1,000 persons</b>	The total number of actual incidents of violent crime, property crime and other Criminal Code offences.

Town of Whitchurch-Stouffville 2002 Municipal Performance Measurement Program		2001	2002
		Result	Result
<b>Local Government</b>			
1	Operating costs for general government as a percentage of total municipal operating costs	9.12%	9.86%
<b>Fire</b>			
2.1	Operating costs for fire services per \$1,000 of assessment	\$0.53	\$0.49
<b>Roads</b>			
4.1	Operating costs for paved (hard top) roads per lane kilometre	\$1,814.53	\$1,406.66
4.2	Operating costs for unpaved (loose top) roads per lane kilometre	\$2,890.53	\$2,738.05
4.3	Operating costs for winter control maintenance of roadways per lane kilometre	\$1,044.34	\$1,129.10
4.4	Percentage of paved lane kilometres rated as good to very good	90.85%	90.85%
4.5	Percentage of winter event responses that met or exceeded municipal road maintenance standards	100.00%	100.00%
<b>Wastewater</b>			
6.1	Collection: Operating costs for Collection per kilometre of wastewater main	\$2,491.25	\$1,999.63
6.2	Treatment/Disposal: Operating costs for treatment/disposal per megalitre	N/A	N/A
6.3	Consolidated: Total cost per megalitre	\$2,491.25	\$1,999.63
6.4	Number of sewer main backups per 100 kilometres of sewer line in the year	0.02	0.00
6.5	Percentage of wastewater estimated to have by-passed treatment	N/A	N/A
<b>Drinking Water</b>			
8.1	Treatment: Operating costs for treatment per megalitre	N/A	N/A
8.2	Distribution: Operating costs for distribution per kilometre of distribution pipe	\$1,808.22	\$1,726.68
8.3	Consolidated: Operating costs treatment & distribution per megalitre	\$1,808.22	\$1,726.68
8.4	Weighted number of days when a boil water advisory issued by the Medical Officer of Health, applicable to a municipal water supply was in effect	0.00	0.00
8.5	Number of breaks in water mains per 100 kilometres of water main pipe in a year	0.00	2.74
<b>Solid Waste Management</b>			
9.1	Operating costs for solid waste collection per ton (collected)	\$51.42	\$56.53
9.2	Operating costs for solid waste disposal per ton (disposed of)	N/A	\$9.17
9.3	Operating costs for solid waste diversion per ton (recycled)	\$53.15	\$53.79
9.4	Average operating costs for solid waste management per ton (disposed & recycled)	\$104.56	\$119.50
9.5	Number of complaints received in a year concerning the collection of solid waste and recycled material per 1,000 households	0	1
9.6	Total number of solid waste management sites owned by the municipality	0	0
Number of days per year when a MOE compliance order for remediation concerning an air or groundwater standard was in effect for a solid waste management facility, by site or number of sites in			

Sarnia

Municipal Performance Measurement Program Prescribed Measures for reporting for the year 2002				
	Performance Measure	Objective	2002 Measure	2001 Measure
<b>General Government</b>				
1.1	Operating costs for general government as a percentage of total municipal operating costs	Efficient municipal government	5.20%	Not Comparable
<b>Fire Services</b>				
2.1	Operating costs for fire services per \$1,000 of assessment	Efficient municipal fire services	\$2.26	Not Comparable
<b>Police Services</b>				
3.1	Operating costs for police services per household	Efficient municipal police services	\$408.23	Not Comparable
3.2	Violent crime rate per 1,000 persons	Safe communities	10.45	12.76 (a)
3.3	Property crime rate per 1,000 persons	Safe communities	31.78	36.46 (a)
3.4	Total crime rate per 1,000 persons (Criminal code offences, excluding traffic)	Safe communities	71.14	Not Comparable
3.5	Number of youths charged per 1,00 youths	Safe communities	N/A	N/A
<b>Roadways</b>				
4.1	Operating costs for paved (hard top) roads per lane kilometre	Efficient road maintenance services	\$3,511.37	Not Comparable

## What has Worked Well in MPMP?

Various initiatives have made MPMP a valuable program:

- The MPMP Advisory Committee is a multi-stakeholder reference or advisory group, which provides valuable input and endorsement
- The Technical Working Groups are comprised of program experts
- Ontario Centre for Municipal Best Practices (OCMBP)
- The Ministry has provided effective political and staff support to MPMP
- The tools developed for MPMP have been useful. This includes the Handbook, Reporting Template, Qs and As, detailed instruction guide, and Education and Training
- The system has gained credibility through its methodology.

## Ongoing Challenges

A key ongoing challenge is overcoming resistance among some municipalities to the system and its use. At the time of its launch, some municipalities – especially small and rural municipalities – were unprepared for the program. They were not given sufficient warning of its existence and development. They feared a type of “Report Card” and suspected the provincial government would use the information to punish/embarrass them. They also thought the government would make “apples to oranges” comparisons of municipal performance. They were anxious over potential media abuse of the data.

Another ongoing challenge has been in the ongoing refinement in the definitions of the performance measures. The early definitions needed and went through refinement.

A third ongoing challenge is strengthening the capacity of smaller municipalities to go beyond the basic MPMP requirements. Is more education and training needed? Through OCMBP, the sector is conducting research into best practices to ensure “apples to apples comparisons of municipal practices.

Another ongoing challenge is with fixed asset accounting and indirect cost allocation.

A fifth challenge has been ensuring timely data availability and accuracy. We are looking to reduce the time needed for data cleaning in the program by improving the accuracy of the data coming into the ministry.

## Where We Are Now

In Ontario, there is growing acceptance and confidence in MPMP, and decreased political opposition to the program. There is less media coverage of the program and data as performance measurement becomes standard practice in municipal management and operations.

The MPMP has helped strengthen Provincial-Municipal cooperation and inter-municipal coordination. The MPMP Advisory Committee is an illustration of this cooperation and continues to play a key role in building and growing the program.

Among municipalities, there is increasing focus on outcomes linked to management practices and best practices. Toward this end, the provincial-municipal cooperation led to the creation of the Ontario Centre for Municipal Best Practices (OCMBP), which examines MPMP data looking for best performers in particular practices in each of the MPMP service areas. Coordinate with OMBI and OCMBP

Among the municipal users of MPMP data in Ontario, the larger municipalities have started to integrate results into budget and management decisions. This may reflect the increasing reliability of data in the system as the definitions of measures are continually clarified. As well, the municipal staff / auditors expertise is improving, which also benefits the users of the data.

Access to MPMP results and summary data continues to be an issue where there is a divergence of opinion between the public and municipal stakeholders. The province believes that the recently released Summary Report of 2001 MPMP Results will assist in bridging some of these viewpoints, and perhaps set the stage for the development of a web-based MPMP system for presenting summary results.

Other jurisdictions are looking at Ontario's program as successful. As a result, our ministry has worked closely with government counterparts in the Philippines and in Eastern Europe.

### **Future Direction of MPMP**

Program expansion for beyond 04/05

- Social Housing?
- Review of Police & Fire measures

Movement towards more aggressive showcasing of outcomes/benefits

- OCMBP Mandate Review
- OCMBP to expand focus as MPMP grows.

Summary report on 2002 Aggregate Results

- Pilot web site?

Integration of performance measurement and budget/allocation decision making

## 2.7 Effective Local Government in the Australian Federation: How Are We Measuring Up?

**Prof. John Martin, Associate Professor & Director of the Centre for Regional and Rural Development at RMIT University in Hamilton, SW Victoria, Australia.**

John Martin has been working on local government education, training and research since 1978, first at the Australian Centre for Local Government Studies, then as the CEO of the National Local Government Training Council, and as Research Scholar in the Urban Research Program, Australian National University. In the 1990s, he undertook various local government assignments for the World Bank, the Asian Development Bank, and the Australian Agency for International Development in Asia and Africa.

### Summary

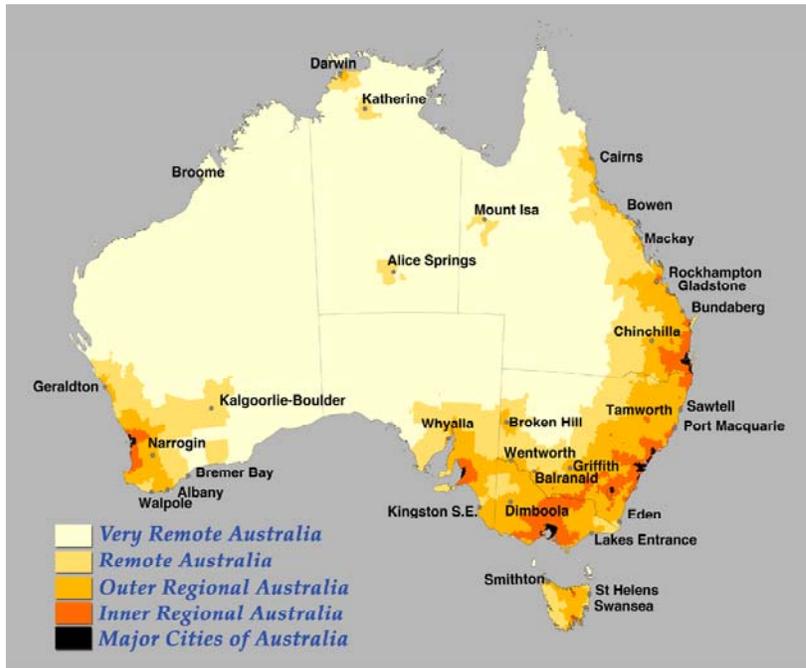
In innovative performance measurement, the negotiation of target-specific contracts with the regulated has been explored as a valuable means to meet objectives in a manner sensitive to the challenges confronting those being regulated. Rather than the rigid, one size fits all, approach that has been the staple of conventional command-and-control bureaucratic regulation, such contracts provide a more nimble, tailored approach, that nevertheless is guided by certain clearly identified principles. Might this be a valuable alternative for establishing required performance measurement standards?

### Introduction

This presentation examines the way intergovernmental revenue sharing in Australia impacts on local governance. It also looks at the need for effective performance management strategies in a challenged intergovernmental context. It examines the information provided by two Australian intergovernmental revenue sharing inquiries. It examines effective performance management strategies to counter declining revenue from other governments.

It does this by reviewing (1) public management and politics in the Australian Federation; (2) Local government 'reform' over the last decade and what they 'measure;' (3) 'Cost Shifting' from federal to state and local governments; (4) How local governments are responding; and (5) What the likely scenarios are for Australian intergovernmental relations.

## Map of Australia



## Public Management and Politics in the Australian Federation

- New Public Management
- Use of ‘the market’ for service delivery
- Smaller government
- User pays
- Effective decentralization is defined by the extent to which decision making authority and responsibility for local matters is carried out at the local government level.

## Intergovernmental Revenue Sharing in Australia

- Intergovernmental revenue sharing has long been a source of tension between Commonwealth, State and Local Governments in Australia. The debate about the revenue collection and allocation process, and the outcomes, is extensive. This is an issue for other federations as well.

## Australian Local Government ‘Reform’

- Has occurred throughout all Australian states and territories since early 1990s.
- Characterized by amalgamation into larger ‘economic’ units, with fewer councillors.
- Required to report on an accrual basis.
- Required to use the market (contracting out) for service delivery.
- Rate cuts (imposed by state government) and caps.
- State imposed (financial) reporting.

- Control of planning schemes, etc, etc.

## Research in Performance Management in Australian Local Government

Research in performance management in Australian local government has focused on:

- Models and processes of internal management and learning (Kloot 1999, 2001).
- Strategic performance management in relation to service delivery and the means of provision (Kloot & Martin 2000).
- The perceptions of local government managers about accountability (Kloot & Martin 2001).
- Local govt management strategies consistent with attitudes to accountability (Kloot & Martin 2002).
- The adoption of state government imposed performance regimes (Martin 2004).

## What Do Australia Local Governments Measure?

Australian local governments have taken the ‘balanced scorecard’ approach in their performance measurement activities. This approach recognizes four perspectives of performance:

1. Financial performance - ‘value for money’ although information systems poor. Driven by state government.
2. Customers – how the community view their performance/satisfaction of customers, also driven by state government.
3. Internal Business Processes - not measured. Some QA in place.
4. Innovation and Learning - not measured. Although SD&T in place.

When examined, 70 per cent of the measures used by local governments are related to financial performance, 15 per cent of measures to customer satisfaction, 10 per cent to internal business processes, and five per cent to innovation and learning.

## Research on Performance of Australia’s National System of Local Government

Research on the performance of the local government system has focused on equity in the revenue allocation process. This is a long-standing subject of debate. Research on the performance of each state local government system, and the national, state-based system of local government, has received scant attention.

## Recent ‘Cost Sharing’ Inquiries from State and Federal Governments

State and federal governments in Australia have carried out two recent inquiries into ‘cost sharing.’ Some state governments who are net losers through horizontal equalization initiated the “Review of Commonwealth-State Funding” (CSF). As well, the Australian government carried out the Commonwealth Government Inquiry into Local Government and Cost Shifting (CSI). This inquiry provides important lessons on the way to manage and develop local government.

Why were there two inquiries? In 2002, the Commonwealth Minister for Local Government in the Liberal-National Party Government established the CSI. This occurred around the release of a draft report reviewing CSF sponsored by the Australian Labor Party in power in New South Wales, Victoria and Western Australia. Both inquiries were politically driven with little likelihood of recommendations being implemented.

The final report of the CSF shows that the Commonwealth Government is providing proportionately less revenue to the States, and that the proportion of untied grants, versus Specific Purpose Payments (SPP), is shifting in favour of the SPPs.

### Changes in LG revenue sources in constant prices 1997-98

	Rates	User Charges	Other	Federal Transfers	State Transfers
1974/75	54.1%	13.4%	7.2%	10.5%	14.8%
1997/98	47.2%	24.7%	8.8%	12.1%	7.1%
Average Annual Growth	3.0%	6.4%	4.5%	4.3%	0.4%

(Source: House of Representatives Standing Committee on Economics, Finance and Public Administration (2003), p. 4)

The CSI and the Review of CSF raised many issues relating to the effectiveness of intergovernmental revenue sharing in Australia. The political imbalance between Commonwealth and State Governments challenges the equalization principles on which the Australian system of intergovernmental revenue sharing is based. All levels of Australian government have tended overlooked such issues as the expectations other governments have on subordinate levels of government, and the way in which local government measures its performance in relation to current revenue sources and the performance expectations of state and Federal Governments.

## Australian Intergovernmental Revenue Sharing

The Federal Government may grant financial assistance to any state. They can use Specific Purpose Payments (SPPs) to introduce programs reflecting Federal wishes in areas of state constitutional responsibility (most SPPs). They can also impose or encourage national standards.

The Federal Government is changing the balance of revenue sharing to local government, both directly and also through the states, from untied grants to SPPs. The long-term strategic issue with this change is that Federal policy will come to dictate the nature and quality of services provided by state and local government.

## State Government Strategic Choices

How do state governments determine the optimum amount of unfunded service delivery to devolve to local government? Do they know what the limits are that they can ask local government to take on this extra work before the organization of local government becomes unworkable? How do state governments assess the institutional and organisational capability of local government to deliver?

## State and Federal Government Strategic Choices

How do state and Federal Governments differentiate the performance requirements of different types of local governments? How do they do this, given the wide variety of types of local governments and their capacity to respond to requirements to deliver additional services, without commensurate resources?

## Local Government Performance Management

Local governments need to adopt systems that allow them to demonstrate value for money services and the effective use of revenue allocated to them by higher levels of government. Without a system of performance management, local government is at the beck and call of higher levels of government, as they are unable to respond to incremental shifts of diminishing revenue.

Without effective performance management strategies, local governments realize only in hindsight that cost shifting has occurred. They will not have valid information to argue for revenue required to provide services expected by other governments and their community. They will be in a weak position to respond, both administratively and politically, to these changes in revenue sharing.

Local governments' attitude to performance management plays an important role in the process of ensuring equitable revenue sharing across the national system of local government. Do they know what performance management systems state governments use to determine the effectiveness of their service delivery? How are local governments reporting such that state government is aware of their circumstances?

### How might Local Government respond to the politics of IG revenue sharing?

Local government can respond in a variety of ways to the politics of inter-governmental revenue sharing.

- They can develop strategic plans, which clearly identify desired outcomes.
- They can measure the unit cost of service delivery, per service.
- They can adopt management accounting techniques for comprehensive assessment of services/means of delivery.
- They can apply economic analyses to investment choices.
- They can actively report on their performance to all stakeholders, such that there are few surprises about the cost of imposition of additional services by other levels of government.

### In Summary

Effective local government leaders identify and publish valid and reliable performance information. When questions relating to intergovernmental revenue sharing are raised they are able to have a considered discussion, not only with other levels of government, but also with their community, about the consequences.

## 2.8 Achieving Accountability through Annual Progress Reporting – British Columbia

### **Meagan Gergley, the BC Ministry of Community, Aboriginal and Women's Services**

Meagan Gergley is a policy analyst with the Local Government Policy and Research Dept, Ministry of Community, Aboriginal and Women's Services, British Columbia. She will present on BC's new municipal annual progress reporting requirements. Meagan has been actively involved with BC's municipal progress reporting initiative over the past year, and will provide a detailed overview of BC's approach to implementation, as well as discuss the role of the Province as a facilitator of implementation. Meagan's presentation was the first of two presentations delivered in the panel called Promoting Performance through Information and Knowledge.

### **Summary**

The province of British Columbia has introduced new legislative requirements for municipal annual reporting. Through annual progress reporting, municipal councils will be required to report to citizens in relation to their municipal goals and accomplishments. This is a flexible requirement, as the legislation does not contain standardized measures or prescribe the details of how a municipality must report its accomplishments to its citizens. Progress reporting is meant to promote a more strategic approach to municipal planning and decision-making, as well as promote transparent and accountable municipal governments. The Province has been engaging with its local government partners to facilitate the implementation of progress reporting. Early implementation has mainly focused on the Ministry providing targeted support and engaging in capacity building for local governments.

### **Overview**

This presentation discusses six areas:

- Background and Context
- BC's Municipal Progress Reporting
- Provincial Role
- BC's Approach to Implementation
- Key Challenges
- What is Next for BC?

### **Background and Context – The Community Charter**

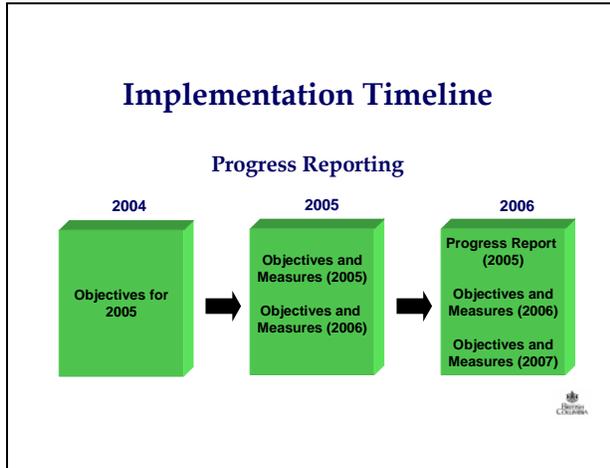
The Community Charter is a new legislative framework for BC municipalities. It heralds a new relationship between the province and municipalities, providing broad municipal empowerment. In the Community Charter, BC municipalities are recognized as “an order of government within their jurisdiction that is democratically elected, autonomous, responsible and accountable.”

For provincial authorities, the overriding question was one of balancing local, public and provincial interests. Questions remained about how much authority is granted municipalities, and what checks and balances are needed to ensure that they are indeed “responsible and accountable.” The new broad power of municipalities was balanced by new accountability tools that allow open and transparent governance, while providing opportunities for citizen participation.

## Municipal Progress Reporting

A central accountability tool is the Annual Progress Report that municipalities prepare for the provincial authority. This is a flexible requirement that is meant to be relevant to local conditions. Although there is no standardized reporting format, the reports should contain information on municipal objectives, measures and accomplishments. They are to be presented to citizens at an annual public meeting.

The graphic below summarizes the implementation timeline for the progress reporting.



## How Progress Reporting Benefits BC Municipalities

Progress reporting will benefit BC municipalities in various ways:

- It will improve council accountability and transparency
- It facilitates taking a strategic approach to municipal planning and decision-making
- It promotes greater citizen understanding of municipal responsibilities, intentions, and priorities

## How is BC's Approach Different?

The following table compares BC's approach with the approach of other jurisdictions:

British Columbia	Other Jurisdictions
<ul style="list-style-type: none"> <li>• Accountability tool</li> <li>• Strategic approach</li> <li>• Council discretion on objectives &amp; measures</li> <li>• Report on progress and accomplishments</li> <li>• Laissez-faire approach to measures as management and administrative tool</li> </ul>	<ul style="list-style-type: none"> <li>• Management and administrative tool</li> <li>• Performance measurement</li> <li>• Common indicators</li> <li>• Standardized measures</li> <li>• Report on efficiency and effectiveness measures</li> </ul>

## Provincial Role

The role of the Province is one of facilitator. It is our role to ask: What can we do to help? How can we help the 'helpers' to help?

This requires provincial collaboration with local government partners. We promote a cooperative approach towards municipal progress reporting, and we look to the local government community to find ways that efficient and effective reporting can best be achieved.

## **BC's Approach to Implementation**

Our approach to implementation is one of engagement and collaboration with municipalities. We have engaged our local government partners in the process through the Union of BC Municipalities (UBCM) and the Local Government Management Association (LGMA). We work collaboratively on strategies to assist municipalities with their new reporting responsibilities. We have done this through a Local Government Survey and a Workshop for sharing the survey results.

Our implementation strategy has focused on the following:

- Developing and distributing communication materials on the program.
- Developing and distributing key information materials.
- Building the capacity of local governments for progress reporting.
- Building the capacity of the provincial government.
- Preparing a Progress Reporting Guide.

## **Key Challenges**

We have encountered some key challenges in the process:

- There is some municipal resistance to annual progress reporting.
- It is a challenge for smaller communities especially.
- It requires organizational change.
- There are some political barriers to annual progress reporting.
- There are also resource barriers.

## **What is Next for BC?**

In the short-term, we plan to evaluate the first year of progress reporting. Beyond this, we are contemplating a range of future initiatives including:

- Introducing means of performance benchmarking to municipalities.
- Introducing means of drawing comparisons between municipal performers.
- Identifying and disseminating best practices.
- Moving toward common measures.

We also see as a priority the need to learn from others who have implemented such systems.

## 2.9 Measuring Performance through the FCM Quality of Life Reporting System

**John Burrett, Senior Manager, FCM Policy, Advocacy and Communications Department.**

John Burrett has worked in national policy development for almost 15 years. He coordinates FCM's policy development and advocacy on social development, and manages the FCM Quality of Life Reporting System.

### Summary

The FCM recently published its third report on Quality of Life in Canadian cities. The report draws on data from FCM's Quality of Life Reporting System (QOLRS) and focuses on six quality of life factors: local economy, natural environment; personal goals and aspirations; fairness and equity; basic needs; and social inclusion. The report also looks at underlying demographic trends affecting the 20 survey municipalities.

### Federation of Canadian Municipalities

The Federation of Canadian municipalities has been the national voice of municipal governments since 1901. FCM is dedicated to improving the quality of life in all communities by promoting strong, effective and accountable municipal governments. Our federation represents large, medium-sized and rural and remote municipal governments, which comprise about 80% of the Canadian population.

### Background to the Quality of Life Reporting System

In 1996, FCM commissioned a study of how changes to the funding structure of federal transfer payments would affect municipal governments. FCM concluded these changes would have an impact on growing municipal responsibilities, but members lacked the tools and the data to debate this and other policies on behalf of their communities. To ensure a more effective voice in the future, the largest urban members of FCM recommended the creation of a reporting system to monitor the quality of life in Canadian communities.

### Partners in the System

The key partners in the Quality of Life reporting system are a selection of FCM members. Above all else, the system represents a partnership among 20 municipalities, which make up about 50% of Canada's population. This partnership makes the system unique.

Human Resources Development Canada (HRDC) and the National Secretariat on Homelessness have provided financial assistance to the project. This assistance has been extremely valuable in allowing us to bring the project up to another level.

Statistics Canada is another partner, and they have provided excellent service. FCM is hoping to work more closely with Stats Can and with other parts of the federal government where our efforts are focused on municipalities or urban areas.

We hope to generate more partners in areas such as health promotion, environment and learning – a great deal of synergy exists between our many organizations.

### National Coverage at the Municipal Level

Our reporting system covers most of Canada well, at the municipal level (see list). The data are reported and analysed at the city level, conforming to city boundaries. (This is a challenge in procuring data.)

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• City of Vancouver	• Regional Municipality of Peel	• City of London
• City of Calgary	• City of Saskatoon	• Regional Municipality of Niagara
• City of Edmonton	• Regional Municipality of York	• Regional Municipality of Waterloo
• City of Regina	• City of Winnipeg	• CM de Quebec
• City of Greater Sudbury	• City of Kingston	• City of Toronto
• City of Hamilton	• City of Windsor	• Halifax Regional Municipality
• Regional Municipality of Halton	• City of Ottawa	

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It would be useful to add several more Quebec and northern municipalities to our coverage. The next time around, we expect to add Montreal and other municipalities.

## The Purpose of the System

The system provides a method to monitor quality of life in Canadian municipalities. The report is of value to Canadian communities and all orders of government.

The system is a tool to:

- Identify and promote awareness of issues affecting quality of life in Canadian communities;
- Better target policies and resources aimed at improving quality of life;
- Support collaborative efforts to improve quality of life; and
- Establish municipal governments as a strong and legitimate partner in public policy debates in Canada

## Products

The report will present descriptive statistics, as before, but with a much stronger supplement of qualitative evidence. Much of the reporting will focus on the change in indicators from the last two reports. But, we need to “tell the stories”, so we will use descriptions of key municipal issues and challenges and anecdotal illustrations of these.

One important supplementary analysis will be a study of the extent to which the “income gap” ie the polarization of incomes within municipalities has (or has not) worsened, and an examination of the consequences and implications for municipal governments and their citizens.

The report will be made available in a number of formats. As always, there will be paper-format full reports and executive summary reports. In this iteration, statistical tables will appear in an appendix, with the body of the report containing tables and graphics. As before, the main “hard product” will be the full report and data appendices in CD format.

Greater use will be made of the FCM website, with a plan to not only post the report, but to allow access to the data to allow users to perform their own analysis, probably using an online version of analytical/graphical software like SPSS.

We also plan to release analyses focusing on subsets of the data, on particular issues, on a sequential basis, in order to maintain the visibility and policy relevance of the product. Supplementary reports, like the income gap report, will add to this strategy.

## 2004 Report

The Highlights Report was released on April 14, 2004.

This year we expect to release three Theme Reports on a range of areas:

- Housing and Homelessness
- Economy, Growth and the Urban Environment
- Our Dynamic Society

## Supplementary Reports

FCM has produced a range of supplementary reports in a range of areas. These include:

- 2002 Evaluation of the System
- Falling Behind: Our Growing Income Gap
- Ecological Footprint Report (forthcoming)
- 1999 and 2001 Reports

## Reporting Frequency, Targets and Reach

The FCM QOLRS reports began with preliminary estimates in 1999 and a full second report in 2001 based on 1996 Census data. The latest report, in the fall of 2003, will use year 2000 Census data. Over time, the system is therefore “catching up” with the Census schedule, which would lead to a four-year schedule. However, the project relies on other more frequently available data sources so that more frequent supplementary reports are possible.

The FCM QOLRS is intended principally to target decision makers and those who influence decision makers. The decision makers include politicians from all orders of government, particularly federal, and government bureaucrats. Municipal decision makers and staff use the tool to promote municipal planning and the need for resources. Citizens and non-governmental organizations are other important targets, as their voices are important in building political support for healthy, well-resourced cities and towns.

The system’s reach is very wide and national in scope. QOLRS has participating cities from Vancouver to Halifax. The reports are distributed at the FCM annual conference, at forums like this one, and at other events. They are distributed to federal MPs and Senators and to provincial/territorial governments through our participating cities and by the provincial/territorial municipal associations. We are enhancing the web-based reach of the system to allow users to access the reports and data online and perform their own “custom” analyses.

## Working Definition of Quality of Life

Quality of life is enhanced and reinforced in municipalities that:

- Develop and maintain a vibrant local economy
- Protect and enhance the natural and built environment
- Offer opportunities for the attainment of personal goals, hopes and aspirations
- Promote a fair and equitable sharing of common resources
- Enable residents to meet their basic needs
- Support rich social interactions and the inclusion of all residents in community life

## System Structure

The system comprises ten ‘domains’ with various indicators in each domain.

- Personal Financial Security – 8 indicators – community affordability, families receiving EI/social assistance, lone parent families, incidence of low income families, children living in poverty, government transfer income, economic dependency ratio, government income supplements
- Personal and Community Health – 6 indicators – low birth weight babies, teen births, premature mortality, work hours lost, suicides, infant mortality.
- Personal Safety – 4 indicators – young offenders, violent crimes, property crimes, injuries and poisonings.
- Affordable, Appropriate Housing – 8 indicators – 30%+ income on shelter, 50%+ income on shelter, core housing need,(better measure but only up to 1996), vacancy rates, substandard units, changing face of homelessness, rental housing starts, monthly rent
- Local Economy – 5 indicators – business bankruptcies, consumer bankruptcies, hourly wages, Change in family income, building permits
- Natural Environment – 9 indicators for air quality, urban transportation, population density, water consumption, wastewater treatment, solid waste, recreational water quality, protected/sensitive areas (a difficult measure), ecological footprint (a separate, composite measure).
- Education – 8 indicators – education levels, literacy levels, adult learning, education expenditures, classroom size, student/teacher ratio, Post-secondary tuition, spending on private education.
- Employment – 4 indicators – employment/unemployment rates, quality of employment, long term employment, labour force replacement.
- Civic Engagement – 5 indicators – voter turnout, women in municipal government, daily newspaper circulation, volunteering, charitable donations.
- Community and Social Infrastructure – 9 indicators – social service professionals, government health care expenditures, private health care expenditures, subsidized child care spaces, social assistance allowances, outdoor recreation areas, public transit costs, social housing waiting lists, rent-gearred-to-income housing.

The system also considers 11 demographic variables to provide depth of analysis. These variables include population, foreign born, visible minorities, language spoken at home, new immigrant groups, aboriginal population, migration, income, households, renters and owners, and land area. The ten sets of indicators will be reported on, most for the third time, in this report. The data comes from a variety of sources but the main source is the Census of Canada. Other sources include Statistics Canada products, and products from various Departments and Agencies, such as CMHC. The report also uses surveys of municipal staff and council.

### **The Risk of Homelessness**

These are some of the indicators used in assessing the risk of homelessness in Canadian urban centres:

- Households on Social Housing Registry Waiting List
- Average Waiting Time on List
- Rental as a Percentage of All Starts
- Gross Rent Spending Over 50% - Renters
- Gross Payment Spending Over 50% - Owners
- Percentage of Families Below LICO
- Vacancy Rates – Private Units (3+)

May 17–18, 2004

- Lone Parent Families by Sex of Parent
- Unemployment Rate, Ages 15+

## 2.10 Performance Measurement at the City of Calgary

### Archie Chumak, City of Calgary

Archie Chumak is an internal management consultant who advises the elected officials and senior management at the City of Calgary. His responsibilities include business planning, performance measurement, policy development and process improvement studies. Archie has degrees in Civil Engineering and a Masters of Business Administration and has held senior positions with consulting companies and the City of Calgary.

The City of Calgary was one of the first Canadian cities to successfully develop performance measures. In 1999, The Institute of Public Administration of Canada recognized this program with their Innovative Management Award. Archie Chumak has also been invited to speak to a variety of organizations in Canada and the United States including The Conference Board of Canada, The Federation of Canadian Municipalities, Chartered Accountants of Alberta and KPMG Management Consulting Ltd. This program was also profiled in Canadian Government Executive Magazine. Archie's presentation on Calgary's performance measures was the first of two presentations made in the panel called 'Cities Measure their Own Performance.'

### Summary

Calgary introduced performance measures in 1995 as its managers recognized the need to manage operations more closely in light of a reduced revenue stream. Over the past nine years, Calgary has developed three levels of measures, at the program, corporate and community level. Examples of statistics measured at the community level include public safety (crimes per capita), urban form (density of new suburbs), environmental measures (air quality), and an overall quality of life measure, with the results of citizen surveys taken into account. Corporate measures assess the city's overall performance and have three major themes: efficiency (expenditures per capita); effectiveness (overall citizen satisfaction with civic services); and employee wellness (training, accident rates).

### Background

Calgary introduced its performance measures in 1995, when performance measurement was just beginning to be a hot issue for public management. We asked: Why are we doing this? Is it accountability? At the end of the day, we decided that what we really wanted to do was give our staff the tools they needed to improve operations. So between 1996 and 2001, we developed a strong performance management initiative with clear support from the CEO at the time as well as from several members of council. Calgary put some resources into the program and got it up and running.

In 2001, we let the initiative go on its own volition. The CEO who was the champion of the program had retired, and we faced other priorities at the time, such as a transit strike and big issues with our electrical system. As well, Calgary went through a major organizational review in 2001. The interesting thing was that even though we sat back and let this initiative go on its own, it survived and it is still being used today.

### Overview of the Presentation

The presentation covers these areas:

- Methodology used in performance measurement
- Implementation strategies
- Applications for performance measurement
- Future directions

## Objectives for Performance Measurement

The objectives for performance measurement are linked to stakeholders. For citizens, elected officials, the executive and staff, the objective is generating better information and providing greater accountability. For the municipal staff, the objective is developing a tool for improving operations.

As we improved the system, we started to use the information for accountability purposes too – accountability to citizens, elected officials, the executives, and to the staff. That was different from most organizations at the time. Accountability is typically mandated from a high level in most organizations – from elected officials or the province – but we didn't have that in Calgary. Our elected officials weren't interested in this as a tool for accountability purposes. The province was just getting into performance measurement at the time itself, and they didn't support mandating its use for accountability purposes. So Calgary had the luxury of building an internally driven administrative initiative. We were different from 99 percent of the organizations doing it at the time, and that is important to keep in mind.

## Methodology – Three Levels of Measurement

The methodology involves three levels of measurement – community performance, corporate performance and business unit performance. The citizens, elected officials, the executive and staff are primarily interested in community and corporate performance. The staff alone is primarily interested in business unit performance.

### Level 1 – Community Performance Measurement

The community measures focus on the overall condition of the society. They include the following:

- Overall Quality of Life
- Public Safety
- Land Use and Mobility
- The Environment
- Disadvantaged Calgarians

These measures represent the outcome of the government program – 'the bottom line' in a manner of speaking, even though the City has influence but not direct control over these outcomes. It is difficult to hold people accountable for community performance measures.

Take policing for example. Crime rates are the ultimate measure of policing – the bottom line – but will the city reduce crime rates by increasing police budgets? Not necessarily. Crime rates are affected by all kinds of factors: the province affects crime rates through provincial legislation; socio-economic realities affect crime rates; the aging population affects crime rates. It is important for elected officials to understand that the city and its program managers can influence crime rates, but not be held accountable for them when so many factors are beyond their control.

### Level 2 – Corporate Performance Measurement

The city is more accountable at this level. To shape this part of the framework, we experimented with various versions of balanced scorecards. We report on measures in such areas as:

- Financial Health
- Customer Satisfaction
- Learning and Growth
- The Environment

- Internal Processes

### **Level 3 – Business Unit Performance Measurement**

The business unit level of measurement uses three types of measures:

- Output measures
  - Product/Service to Customer
- Efficiency measures
  - Unit Cost
- Effectiveness measures
  - Quality
  - Customer Satisfaction
  - Use of Service

### **Evolution of Performance Measurement**

Performance measurement has evolved through three periods in the past 25 years.

- In the 1980s, the emphasis was on ‘efficiency’ and efficiency measures.
- In the 1990s, the emphasis was placed on the customer perspective and measuring ‘effectiveness.’
- In the 2000s, the emphasis is on ‘employees.’

In the 1980s, the focus was on the organization and the need to use resources efficiently. The early 1980s was a lean time for the city and we were cutting costs left, right and centre. This was the time of the National Energy Plan and we nearly went broke – so the notion of efficiency was very important to us. Most of our businesses were especially concerned with how well they managed their unit costs. They had measures of efficiency, which they reported to council. So by the end of 1980s, we had some reasonable measures of efficiency.

In the 1990s, we shifted our focus to the customer and began developing effectiveness measures. ‘Effectiveness’ is a nebulous concept, which we defined in terms of quality of the service (using measures like response time or error rate), customer satisfaction and use of service. We could only use the measures of service use where people had a choice of services. Transit and social services often don’t a choice so we didn’t have measures in these service areas.

The emphasis now is on employees. This continues in a natural evolution. In building the framework, it is important to fit into the broader evolution and not to create something artificial on its own. So efficiency, effectiveness, and employee performance – these concerns have shaped the system today. What we have tried to do is give a more balanced approach to our decision makers as to how the service is doing. The balanced scorecard approach paints a bigger picture of performance.

### **Implementation Strategies**

We have used many implementation strategies. This is a list of those that have worked well for us.

#### **Strategy 1 – Ask Staff to Develop Performance Measures**

We asked the city staff to develop their own performance measures and tools. At the end of the day, if performance measurement is a useful tool for staff, then they should take control of the tool they’ll use. We gave them some guidelines and methodologies, gave them some training, but they developed the tools and measures themselves.

#### **Strategy 2 – Demonstrate Executive Support**

Executive support is critical to the implementation of performance measurement. The executive must demonstrate the ‘need’ for performance measurement. The support should focus on ‘how staff members use performance measurement.’ There is a need to educate elected officials in the purpose and use of performance measurement.

### **Strategy 3 – Provide Staff Training and Support**

Facilitating the use of performance measurement by staff members is essential. In the first year alone, the City provided 2-day training workshops to 350 staff. But we found this wasn’t enough because people were still apprehensive about the system. So we brought in a consultant who facilitated a process with each business team. The consultant took them by the hand and led them through the use of the system. (The employees were spending more time and energy worrying about performance measurement and thinking up excuses for why they shouldn’t be doing it, than learning how to use the system and make the most of the information.) Facilitation reduced people’s fear of the system and got them using it.

### **Strategy 4 – Become Member of Benchmarking Consortium**

Early in the game we got involved in a consortium for benchmarking performance. The objectives for joining the consortium were to development performance measurement in the City, compare our performance with other performers, and identify best practices within high performing cities. The initiative was run by ICMA in the US and involved over 100 American cities and four Canadian cities.

This was a worthwhile initiative for us – we learned that Calgary scored above average in 66% of the measures. More importantly, we developed methodologies to compare apples to apples; we developed definitions for our measures; and we tapped into resources and networks of people who are incredible. The consortium spent time identifying best practices and produced a best practices report. There is a need for this type of benchmarking initiative in Canada. This could mean organizing one in Canada or forming a sub-group of Canadian cities as part of the US consortium.

### **Strategy 5 – Citizen Satisfaction Surveys**

The City of Calgary implements an annual corporate survey to assess quality, efficiency, cost and budget priorities. Thirteen of 17 departments in the city survey citizen satisfaction of their services. The administration departments (such as law) also survey internal customers.

### **Strategy 6 – Integrate Performance Measures with Business Planning, Budgets**

This is a key implementation strategy -- treat performance measurement data with the same importance as financial data and include the data in business plans and budgets. At the beginning we tried to integrate this with our budget and business plans. We did not publish a separate performance report; we were afraid it would be put on the shelf. Instead, we put the performance measures right into their budget, and our council members started to see them when they were looking at budgets. The first year, they ignored them because they didn’t know what it was. After the 2<sup>nd</sup> or 3<sup>rd</sup> year, the measures started to work their way into the budget process. Now they are fully integrated. We knew we were successful when people start looking at performance measurement information and give it the same level of importance as financial data.

## **Applications**

There are four key applications for performance measurement: Business planning, budgeting, alternative service delivery, and communication with the public

### **Business Planning**

The use of performance measurement in business planning for the city takes place at two levels: (1) the mission statement level, and (2) the goal level.

The integration of performance measurement at the mission statement level is a relatively easier process to complete in Calgary's case because the framework contains 'Community Measures' such as public safety. These reflect the City's performance in achieving its mission.

The integration of performance measurement at the goal level has proven more difficult. We started with 'fuzzy goals' such as 'more influence with the province,' but these were challenging to measure consistently. Since then, we have matured to 'measurable goals' such as 'maintain quality public service,' which we measure through citizen satisfaction surveys. Last year, 88% of the surveyed public rated municipal services as 'good' or 'very good.' Performance measurement at the goal level is linked to performance pay.

### **Budgeting**

Performance measurement provides the City with better information to use increasing or decreasing budgets. For example, the public determined that transportation infrastructure was a budget priority through citizen surveys. The Street Maintenance Budget was increased by \$1,000,000 (or 20%). The Quality Index declined from 8.1 in 1991 to 6.9 in 1998.

### **Monitoring Contract Performance**

- Introduce Quality Standards
- Typically use physical measures, such as kilograms of dirt left by street sweepers as determined by a second sweeper.

### **Communication**

For the City, performance measures are a powerful communications tool; numbers are easy for citizens to understand. Performance measures are used in the budget brochure to provide a balanced overview of results and expenditures.

### **Future Plans**

In the future, we want to focus on three priorities:

- Integrate business planning, budgeting, and performance measures.
- Improve community measures through the triple bottom line approach (Economy, Environment, Society).
- Improve employee well-being through satisfaction and learning.

## 2.11 Measuring Performance in Winnipeg – The Road Less Travelled

**Connie Walker, Manager, Strategic Management Division, CAO's Office, City of Winnipeg**

Connie Walker is the Manager of the City of Winnipeg's Strategic Management Division. The Division works with senior City administrators and elected officials and is responsible for socioeconomic research, strategic and business planning, organizational performance management and special projects. Connie has an MBA with a background in nursing, auditing and project management.

### Summary

The City of Winnipeg has adopted a system of municipal performance measures even though the province of Manitoba has not yet implemented a formal set of standards for its municipalities. Winnipeg began developing the Organizational Performance Management and Reporting (OPMR) program in 1997. The statistics gathered under the OPMR program involve 36 key service areas, the measures for which will link to a 20-year plan called Plan Winnipeg. Some of the major service areas involve measures concerning crime prevention, parks and open spaces, assessment and taxation, garbage collection and water. Within those areas, things like client satisfaction, cost efficiency and effectiveness of services are evaluated. To take crime prevention as an example, these measures would evaluate details such as calls for service, call responses and the number of crimes investigated.

### Introduction

"The Road Less Traveled" is a book written by Beck that talks about the difficulties with 'staying the course' when faced with distractions or adversity. Positive change takes strong character and leadership. I think we have demonstrated that many times when it would have been easier to quit.

The destination ... Where are we going? Why? The bumps and hills and washouts along the way ... What have we done so far? Has it made a difference? What have we learned / what advice would we give others? The stretch ahead ...

### Plan Winnipeg 2020 Vision

*"To be a vibrant and healthy city that places its highest priority on quality of life for all its citizens."*

'Plan Winnipeg' provides a 20 year vision for Winnipeg and includes 100 policy statements relating to:

- The Downtown and Neighbourhoods
- Government and the Economy
- Planned Development, Transportation, and Infrastructure
- Public Safety, Health, and Education
- Environment, Image, and Amenities

It has been adopted as a by-law and includes quality of life indicators and a commitment to reporting.

### 'Quality of Life' to Winnipeggers means ...

The City carried out extensive consultation to define indicators of quality of life. To the Winnipeggers consulted, quality of life in our city means:

- A vibrant downtown and safe, healthy neighbourhoods
- Economic prosperity shared by all Winnipeggers
- Development that is well planned and orderly

- Convenient access and mobility to all parts of the city
- Supportive and well maintained urban infrastructure
- Safety and security in the home, in neighbourhoods, and downtown
- Environmental quality in both the natural and built environments
- A city with vitality as seen in its people and the activities it offers

The consultations also revealed a commitment to reporting.

### The policies to achieve it ...

The policies to achieve this quality of life include five chapters and 100 policy statements relating to:

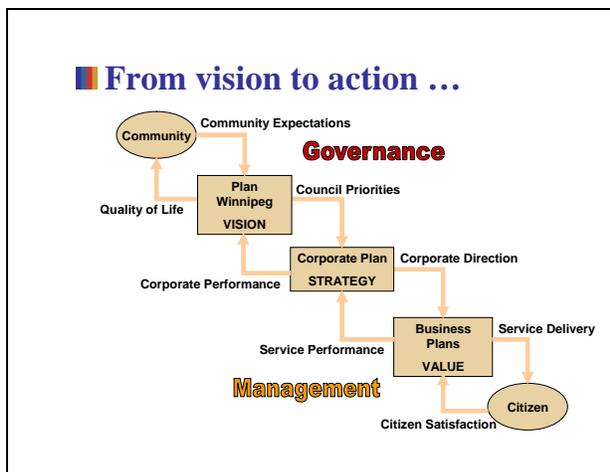
- The Downtown and Neighbourhoods
- Government and the Economy
- Planned Development, Transportation and Infrastructure
- Public Safety, Health, and Education
- Environment, Image, and Amenities

There are 'indicators' for each chapter. For example, the quality of life indicators for 'Downtown and Neighbourhoods' include:

- More people working and living in the downtown
- Fewer vacant properties and less underdeveloped land in the downtown
- Rising value of inner city homes and commercial properties.

### From Vision to Action

This graphic represents our strategy for moving from vision to action:



### Why is Winnipeg Measuring its Performance?

We want to:

- Meet the changing needs of citizens (quality of life!)
- Invest resources strategically in the things that really make a difference.

- Be accountable for value to citizens and Council members who invest in us and would like to know what they get in return.
- Continuously improve service delivery.
- Make services and service delivery processes transparent.

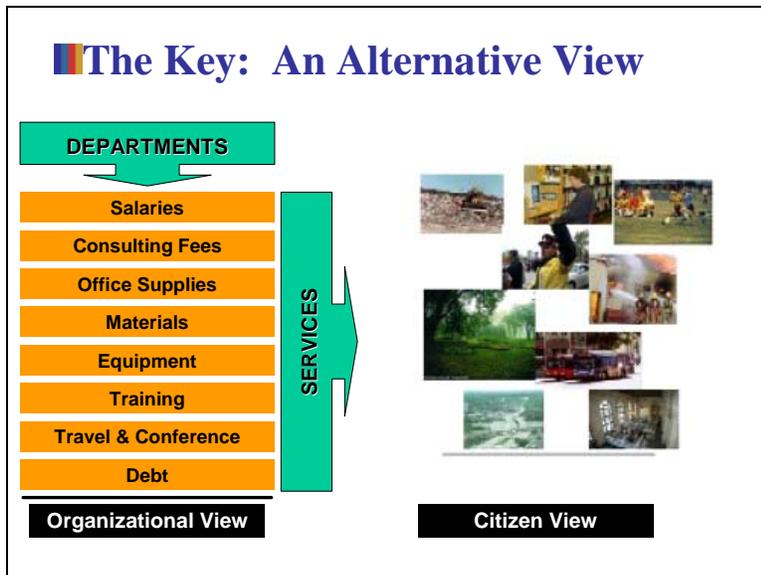
Plan Winnipeg

2B-03: Commit to Responsive Government . . .

2B-05: Meet High Standards of Service Delivery . . .

## The Key: An Alternative View

The key step in our thinking took place as we focused on service provision from the citizens' perspective, rather than departments' provision of inputs and activities as seen from the organizational perspective.

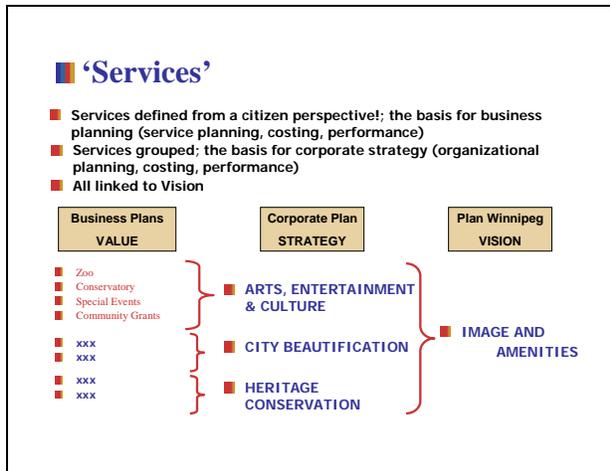


## Services

Services are a series of administrative and/or operating activities that result in some tangible value provided to:

- Individual members of the public
- Defined members of the public
- The public collectively

Services are defined from a citizen perspective to form the basis for business planning (service planning, costing, performance). Services are grouped to form the basis for corporate strategy (organizational planning, costing, performance).



### Service Alignment

This table describes how the various services and functions performance by the City government are aligned under the four categories:

Government and the Economy	Planned Development, Transportation and Infrastructure	Safety, Health and Education	Environment, Image and Amenities
<ul style="list-style-type: none"> <li>Assessment &amp; Taxation</li> <li>Financial Management</li> <li>HR Management</li> <li>IT Management</li> <li>Physical Asset Mgmt</li> <li>Council &amp; Administration</li> <li>Economic Development</li> <li>Cemeteries</li> </ul>	<ul style="list-style-type: none"> <li>City Planning</li> <li>Public Transit</li> <li>Roadway Construction &amp; Maintenance</li> <li>Transportation Planning &amp; Traffic Management</li> <li>Water</li> <li>Wastewater</li> <li>Land Drainage &amp; Flood Control</li> </ul>	<ul style="list-style-type: none"> <li>Police Response</li> <li>Crime Prevention</li> <li>Traffic Law Enforcement</li> <li>Fire &amp; Rescue Response</li> <li>Fire &amp; Injury Prevention</li> <li>Medical Response</li> <li>Building Permits &amp; Inspections</li> <li>Roadway Snow &amp; Ice Control</li> <li>Disaster Preparedness &amp; Response</li> <li>Community Health &amp; Social Support</li> <li>Animal Care &amp; Control</li> <li>Libraries</li> </ul>	<ul style="list-style-type: none"> <li>Garbage Collection &amp; Disposal</li> <li>Recycling &amp; Waste Minimization</li> <li>Parks &amp; Urban Forestry</li> <li>City Beautification</li> <li>Recreation</li> <li>Arts, Entertainment &amp; Culture</li> <li>Heritage Conservation</li> <li>Insect Control</li> </ul>

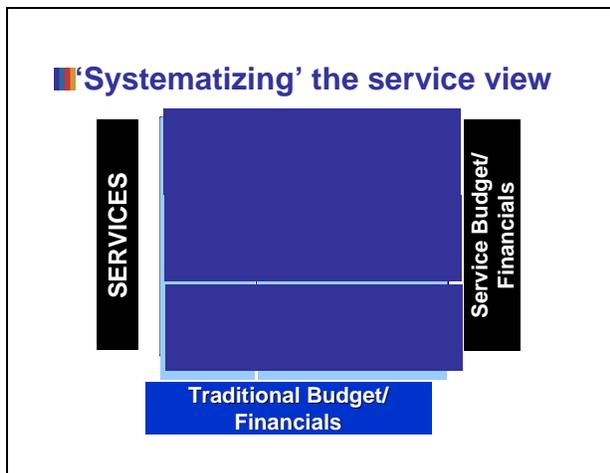
## From Management & Accounting to Governance & Accountability

This table summarizes the shift in focus from management and accounting to governance and accountability:

G/L Accounts		Resources
Department <ul style="list-style-type: none"> <li>• Police Service</li> </ul> Division <ul style="list-style-type: none"> <li>• Operations</li> </ul> Centre <ul style="list-style-type: none"> <li>• Division 13</li> </ul>		Outcome <ul style="list-style-type: none"> <li>• Public Safety</li> </ul> Service Group <ul style="list-style-type: none"> <li>• Police Response</li> </ul> Service <ul style="list-style-type: none"> <li>• Crime Investigation</li> </ul>

## Systematizing the Service View

This graphic represents the way we ‘systematized’ the service view.



## Service Templates

The service templates align our services with Plan Winnipeg outcomes. The templates summarize current service levels, identify service goals and strategies, outline risks and opportunities, and provide performance information about service effectiveness, efficiency in delivery, and satisfaction of citizens. The Service Templates also promote the coordination of scarce resources.

## Efficiency and Effectiveness

This can be illustrated with examples of services like Mosquito Control, Urban Forestry or Garbage Collection.

## Citizen Participation in Urban Governance

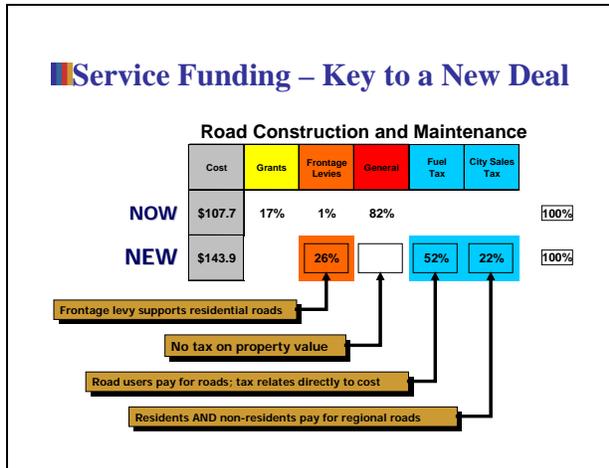
Never before has the country been so consumed with the problems facing our urban communities. In Winnipeg we are witnessing an unprecedented level of citizen participation in the future of our City.

As the Mayor has stated, “Some people embrace the New Deal – others hate it. Some think the City shouldn’t be investing in anything other than police, pipes and potholes. Others want the City to be an exciting, vibrant place with investment in arts and culture. Some want me to run for a third term – others are intrigued by the California system of recall.”

Whether you like the first draft of a New Deal or not, you must admit that we have put urban affairs on the national agenda and decisions must be made about the future of our cities.

## Service Funding – A Key to the New Deal

Service Funding should follow agreed principles:



- Equity
- Economy
- Environment
- Ease of Administration
- Efficiency
- Accountability
- Transparency
- Harmony
- Reliability
- Diversification

The first five principles – from equity to efficiency – are taken from the Mayor’s forward in the Financial Management Plan. Equity is the principle that the tax affects people in proportion to their ability to pay. It also means there is a good match between those who benefit and those who bear the burden. Sources have defined this notion of equity quite differently; we have to be mindful of people’s ability to pay; at the same time, there is some merit in matching benefactors and those who pay.

Efficiency is the principle that citizens get value for their tax dollars. It appears to refer more to efficiency in expenditure rather than efficiency in taxation, which means that once collected, the government bureaucracy makes good use of the tax dollars.

## Cities are Changing!

The expectations are for better management of resources and better governance for results.

*“We will ask not just how many police cars are out there, but how many crimes are solved... We will ask not only how many ambulances are on the road, but what are the response times and how many lives are saved.”*

*Mayor Glen Murray*

*Winnipeg Free Press, October 30, 2002*

# Appendix 1 Summary of Presentations

## Welcoming Address

### **Why Are Provinces and Territories Promoting Performance Measurement for Municipalities?**

*John Burke, Ontario Deputy Minister of Municipal Affairs, Province of Ontario.*

In this opening address, John Burke welcomed participants to Canada's first-ever provincial-territorial charrette on municipal performance measurement. The Ontario Ministry of Municipal Affairs and Housing arranged for the gathering because it is an opportunity to share experiences and advance the state of municipal performance measurement. Why is performance measurement important? In Canada, municipalities — especially urban municipalities — are facing increasing demands to deliver more and better services. This comes as local governments are facing a tight fiscal environment, ever-tougher environmental laws, a need for new infrastructure and for costly repairs to aging existing infrastructure, and taxpayers who are demanding better value and more relevant services. This adds up to a situation in which municipalities are experiencing a real gap between what they are able to deliver and what is being demanded of them. The Ontario government works with our municipalities to give them better management tools with which to carry out their work. Performance measurement is a valuable and timely tool to help municipal managers determine where they can cut costs ... where they can improve efficiency ... or where they can increase the effectiveness of their services.

## Breakfast Session

### **Measuring Municipal Performance: The UK Experience**

*Dame Mavis MacDonal, Permanent Secretary, Office of the Deputy Prime Minister, United Kingdom*

Over the past decade, the central government in the United Kingdom has taken on a greater responsibility for funding local councils. It has also introduced new tools and processes for priority setting, planning and accountability at the local level. This presentation describes the local government context in the UK and some of the tools used in improving local government performance. This includes the mandatory performance measurement program – the Comprehensive Performance Assessment.

## Panel 1: Establishing Performance Indicators Frameworks

### **The Challenge of Establishing Municipal Performance Indicators Framework in Quebec**

*Claude Brochet, Ministère des affaires municipales, sports et loisirs*

The Quebec government has used technology to reach its performance measurement objectives. It has developed software to monitor 100 performance indicators. This software will be available free of charge to municipalities. Municipalities will be required to report on 19 of the 100 in the first year of application. Public performance reporting will also be required within one year.

### **Toward Local Government Capacity and Performance Measures in New Brunswick**

*Katherine d'Entremont and Johnny St-Onge, New Brunswick Department of Environment and Local Government*

The New Brunswick government is committed to creating a new form of local government and to encouraging the establishment and restructuring of local governments, in an effort to promote a more effective, efficient and equitable provision of local services. This commitment grew from a

round table discussion of stakeholders in 2000-2001 and public consultation conducted by a select committee of the legislative assembly in 2002-2003. In support of this initiative, financial and community capacity targets are being developed to guide future establishment and restructuring of local governments. (Two examples of capacity targets are the size of the municipal population and tax base, and the level of common interest in the community.) While the aim of capacity targets will be to provide adequate financial and community capacity to achieve service performance as defined and required by the provincial government and by citizens, much will depend on good local governance. The department is currently considering the development of local government performance targets and measures. A key consideration as we move forward in this process will be how to engage the local government sector along with the various stakeholders in a manner that will foster continued provincial-municipal collaboration.

## **Panel 2: Establishing and Enforcing Municipal Standards**

### **The Nova Scotia Municipal Indicators Program**

*Robert Houlihan, Service Nova Scotia and Municipal Relations*

The Nova Scotia Municipal Indicators is a joint Municipal/Provincial Initiatives to develop a more comprehensive and sophisticated analysis of municipal well-being. The indicators are meant to prompt investigation into variances, encourage best practices and lead to a more strategic approach to municipal policy making at both the provincial and municipal levels.

### **Ontario Government Municipal Performance Measurement Program**

*Larry Clay, Ontario Ministry of Municipal Affairs*

Already in its fourth year, the Ontario government's program continues to invest in a refinement of its methodology, but with a priority on achieving a degree of stability in the measures (to allow for year-over-year comparison). A new "Ontario Centre for Municipal Best Practices" has also been created to use the data to identify practical examples of good service delivery. A continuing challenge for the province is managing communications and the comparison of performance measurement results especially as it begins piloting a web-based system.

## **Luncheon Address**

### **Effective Local Government in the Australian Federation: How Are We Measuring Up?**

*Prof. John Martin, Centre for Regional and Rural Development, RMIT University, Australia*

In innovative performance measurement, the negotiation of target-specific contracts with the regulated has been explored as a valuable means to meet objectives in a manner sensitive to the challenges confronting those being regulated. Rather than the rigid, one size fits all, approach that has been the staple of conventional command-and-control bureaucratic regulation, such contracts provide a more nimble, tailored approach, that nevertheless is guided by certain clearly identified principles. Might this be a valuable alternative for establishing required performance measurement standards?

## **Panel 3: Promoting Performance through Information and Knowledge**

### **Achieving Accountability through Annual Progress Reporting: The BC Experience**

*Meagan Gergley, Ministry of Community, Aboriginal and Women's Services*

The province of British Columbia has introduced new legislative requirements for municipal annual reporting. Through annual progress reporting, municipal councils will be required to report to citizens in relation to their municipal goals and accomplishments. This is a flexible requirement, as

the legislation does not contain standardized measures or prescribe the details of how a municipality must report its accomplishments to its citizens. Progress reporting is meant to promote a more strategic approach to municipal planning and decision-making, as well as promote transparent and accountable municipal governments. The Province has been engaging with its local government partners to facilitate with the implementation of progress reporting. Early implementation has mainly focused on the Ministry providing targeted support and engaging in capacity building for local governments.

### **Measuring Performance through the FCM Quality of Life Reporting System**

*John Burrett, The Federation of Canadian Municipalities*

The FCM recently published its third report on Quality of Life in Canadian cities. The report draws on data from FCM's Quality of Life Reporting System (QOLRS) and focuses on six quality of life factors: local economy, natural environment; personal goals and aspirations; fairness and equity; basic needs; and social inclusion. The report also looks at underlying demographic trends affecting the 20 survey municipalities.

### **Panel 4: Cities Measure their Own Performance**

#### **Performance Measurement at the City of Calgary**

*Archie Chumak, City of Calgary*

Calgary introduced performance measures in 1995 as its managers recognized the need to manage operations more closely in light of a reduced revenue stream. Over the past nine years, Calgary has developed three levels of measures, at the program, corporate and community level. Examples of statistics measured at the community level include public safety (crimes per capita), urban form (density of new suburbs), environmental measures (air quality), and an overall quality of life measure, with the results of citizen surveys taken into account. Corporate measures assess the city's overall performance and have three major themes: efficiency (expenditures per capita); effectiveness (overall citizen satisfaction with civic services); and employee wellness (training, accident rates).

#### **Measuring Performance in Winnipeg: The Road Less Travelled**

*Connie Walker, City of Winnipeg*

The City of Winnipeg has adopted a system of municipal performance measures even though the province of Manitoba has not yet implemented a formal set of standards for its municipalities. Winnipeg began developing the Organizational Performance Management and Reporting (OPMR) program in 1997. The statistics gathered under the OPMR program involve 36 key service areas, the measures for which will link to a 20-year plan called Plan Winnipeg. Some of the major service areas involve measures concerning crime prevention, parks and open spaces, assessment and taxation, garbage collection and water. Within those areas, things like client satisfaction, cost efficiency and effectiveness of services are evaluated. To take crime prevention as an example, these measures would evaluate details such as calls for service, call responses and the number of crimes investigated.

## Appendix 2 Charrette Participants

(Alphabetical order)

Gordon Beal  
Senior Training Consultant, Ontario Ministry of Finance

Michael Boggs  
Project Manager, Ontario Centre of Municipal Best Practices

Margaret Booth  
Senior Analyst, Ontario Municipal Affairs and Housing

Peter Bracegirdle  
Charrette Facilitator, Appian Consulting, Ottawa

Claude Brochet  
Agent de recherche, Direction des finances municipales  
Ministère des affaires municipales, du sport et du loisir du Québec

John Burke  
Deputy Minister, Ontario Municipal Affairs and Housing

John Burrett  
Senior Manager, Policy, Federation of Canadian Municipalities

Archie Chumak  
Corporate Consultant, City of Calgary

Larry Clay  
Director of Performance and Accountability, Ontario Municipal Affairs and Housing

Gavin Crowden  
Office of the Deputy Prime Minister, UK

Katherine d'Entremont  
Director, New Brunswick Environment and Local Government

Patrice Dutil  
Director of Research, Institute of Public Administration of Canada

Cynthia Franko  
Manager, Ontario Ministry of Community Safety and Correctional Services

Karen Gautam  
Municipal Services Analyst, Ontario Municipal Affairs and Housing

Meagan Gergley  
Policy Analyst, British Columbia Ministry of Community, Aboriginal and Women's Services

May 17–18, 2004

Ron Gibson  
Assistant Project Manager, Ontario Municipal Benchmarking Initiative

Chuck Gilhuly  
Executive Director, Nunavut Municipal Training Organization

Sébastien Hamel  
Regional Manager, Asia, Federation of Canadian Municipalities

Robert Houlihan  
Municipal Advisor, Service Nova Scotia And Municipal Relations

Michael Hughson  
Manager of Monitoring and Evaluation, Nunavut Department of Community and Government Services

Robert Kitley  
Information Officer, Ontario Municipal Affairs and Housing

Roger Maloney  
Chair, Ontario Municipal Benchmarking Initiative

John Martin  
Associate Professor and Director, Centre for Regional and Rural Development, RMIT University

Gillian Mason  
Director of Programming and Marketing, Commonwealth Association for Public Administration and Management

Janet Mason  
Assistant Deputy Minister, Ontario Municipal Affairs and Housing

Michael McConkey  
Research Officer, Institute of Public Administration of Canada

Dame Mavis MacDonald DCB  
Permanent Secretary, Office of the Deputy Prime Minister, UK

Michael Merritt  
Executive Director, Alberta Department of Municipal Affairs

Russ Obonsawin  
Senior Analyst, Ontario Ministry of Finance

Thomas Plant  
Manager, Business Development, City of Mississauga

Sheila Richardson  
Executive Director, Ontario Good Roads Association

Johnny St-Onge  
Project Manager, New Brunswick Environment and Local Government

Pat Vanini  
Executive Director, Association of Municipalities of Ontario

Connie Walker  
Manager, Strategic Management Division, CAO's Office, City of Winnipeg

Sandra Waterson  
Principal, Public Sector Accounting Department, Canadian Institute of Chartered Accountants

Bohdan Wynnycky  
Manager, Municipal Performance and Accountability Branch, Ontario Municipal Affairs and Housing

## Appendix 3 Web Site Links

### U.K.

<http://www.audit-commission.gov.uk>

### Quebec

[indicateurs@mamsl.gouv.qc.ca](mailto:indicateurs@mamsl.gouv.qc.ca)

<http://www.mamsl.gouv.qc.ca>

### New Brunswick

### Nova Scotia

<http://www.gov.ns.ca/snsmr/muns/indicators/>

### Ontario

[http://www.mah.gov.on.ca/userfiles/HTML/nts\\_1\\_5600\\_1.html](http://www.mah.gov.on.ca/userfiles/HTML/nts_1_5600_1.html)

### Australia

<http://www.rmit.edu.au/browse?SIMID=qk0qrhuexab11>

### British Columbia

*BC Community Charter* web site:

<http://www.mcaaws.gov.bc.ca/charter/>

Guide to Municipal Progress Reporting

[http://www.mcaaws.gov.bc.ca/charter/responsibility/annual\\_report.htm](http://www.mcaaws.gov.bc.ca/charter/responsibility/annual_report.htm)

Civic Info web site:

<http://www.civicinfo.bc.ca/>

### FCM

<http://www.fcm.ca/qol3/>

### Calgary

[www.calgary.ca](http://www.calgary.ca)