



Governance Committee

Subject:	Service Capacity Project: Phase 4 Update
Date:	September 12, 2023
Presenter:	Leslie MacRae, Director; Tim Swanson, Rene Ziorio, KPMG
Department:	Strategy and Performance

REPORT SUMMARY

The Organizational Service Capacity project was approved and funded by Council in July 2022. This report is the third update to Governance Committee since the project began in November 2022. It summarizes the work delivered to date with a specific focus on Phase 4 (Levels of Service, Budget, and Risk Identification) and looks forward to the potential ways that Rocky View County can implement the service capacity work moving forward.

ADMINISTRATION'S RECOMMENDATION

That Governance Committee accept the Service Capacity Project: Phase 4 Update for information.

BACKGROUND

In July 2022, Council approved a series of Priority Projects that would serve to advance the County's strategic goals. The Organizational Service Capacity Project was prioritized to help the County better define, assess, communicate, and make decisions about its services and service levels, and ensure that services support the County's long-term strategic vision for residents. Better defining our services will help to answer four key questions:

- What services are we delivering?
- What level of service are we delivering?
- What are the risks that could impact the delivery of those services?
- How much are we investing in our services?

Specifically, the project will produce:

- A service-based view of what the County delivers (as opposed to organizational structure-based view) that explains what residents can expect to receive in terms of timing, quality, or other aspects.
- A catalogue of these services that includes descriptions, service level, cost, and risk.
- A tool that can be used by the County in the future to guide decision-making about services.

DISCUSSION

KPMG was contracted by Administration to conduct the project. The project began in November 2022 and will conclude in early November 2023. It consists of five phases:

- Phase 1: Project Initiation (**Complete**)
- Phase 2: Scope and Methodology Planning (**Complete**)

Service Capacity Project: Phase 4 Update

- Phase 3: Activities and Characteristics Development (**Complete**)
- Phase 4: Levels of Service, Budget, and Risk Identification (**Complete**)
- Phase 5: Outputs and Handover (July – **November 17, 2023**)

The last report on the Service Capacity Project was at the May 2023 Governance Committee, when Administration and KPMG provided a complete service listing and show-cased some examples of the service capacity framework. Since then, KPMG has guided Administration through Phase 4 of the project, which included:

- Refining services (53) and sub-services (162).
- Mapping department budgets and full-time equivalents (FTEs) to services/sub-services.
- Confirming with Administration levels of service for each sub-service.
- Assessing the risks facing each service, the financial, reputational, operational, legal and health and safety impacts of those risks, and the probability of them occurring.
- Identifying performance measures to monitor levels of service.

Phase 4 was completed in August 2023. Due to capacity constraints and competing priorities, the timeline for Phase 4 was extended by two weeks to ensure Administration had sufficient time to provide high-quality, accurate, and reliable information. This has led to a slight adjustment to the overall project timeline, with the fifth and final phase expected to be concluded by November 17, 2023 (as opposed to October 31, 2023). The project continues to be within scope and on budget.

Phase 5 of the project will include the following activities:

- Finalize service catalogue (August 18, 2023)
- Finalize service costs (September 29, 2023)
- Finalize service risks (October 20, 2023)
- Conduct training and development sessions with Administration and Council (October 2023)
- Build and deliver output tool and user guide (November 3, 2023)
- Close-out project (November 17, 2023)

ALTERNATE DIRECTION

Administration does not have alternate direction for the Committee's consideration.

ATTACHMENTS

Attachment A: Service Capacity Governance Committee Presentation September 12, 2023

Service Capacity Project: Phase 4 Update

Governance Committee Presentation

September 12, 2023



ROCKY VIEW COUNTY

Objective and Agenda

Objective

- Provide an update on the progress of the Organizational Service Capacity project
- Provide an overview of a transition to a service-based perspective
- Discuss the approach for understanding services within the 2024/25 Budget Cycle

Agenda

- Project update
(5 min)
- Transitioning to Service-Based Perspective
(15 min)
- 2024/25 Budget Cycle
(10 min)
- Questions
(15 min)



Project Update

Our last check in

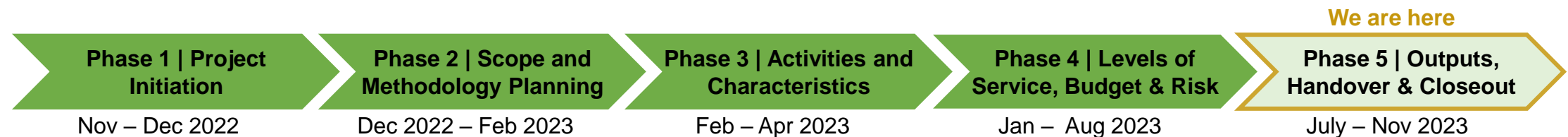
- Phase 3: Activities and Characteristics Development
 - Committee reviewed examples of definitions that were being prepared for all services and sub-services

Where we are now

- Completion of Phase 4: Levels of Service, Budget and Risk Identification
 - Confirmation of service inventory and service levels
 - Service resourcing (cost and FTEs) and risk assessment
- Began Phase 5: Outputs, Handover, & Closeout
 - Sustaining the service management framework with the delivery of supporting tools and training

What's up next (November 17th completion)

- Completing Phase 5: Outputs, Handover, & Closeout



Benefits of a Service-Based Perspective

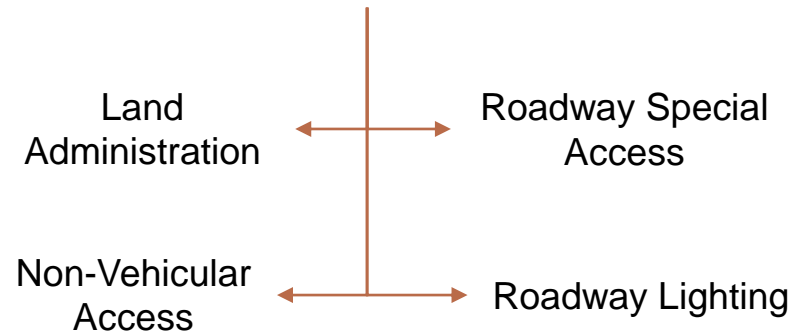
A service-based perspective is a consistent approach to recognizing how residents experience County services.

This perspective supports resident engagement in planning and budgeting activities. It allows for a common understanding between residents, Council, and Administration when validating service expectations.



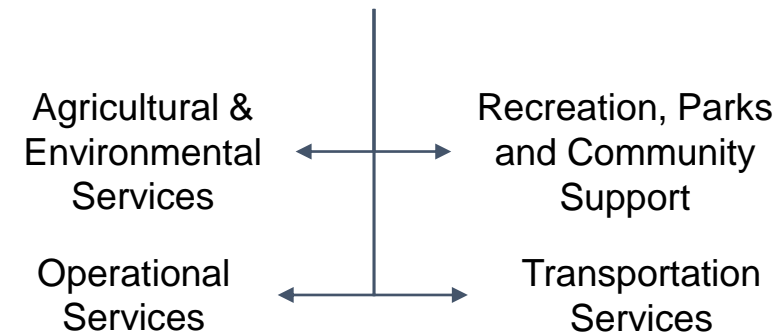
**Residents experience driving
down a gravel road.**

This is delivered by Transportation
Services, which also delivers:



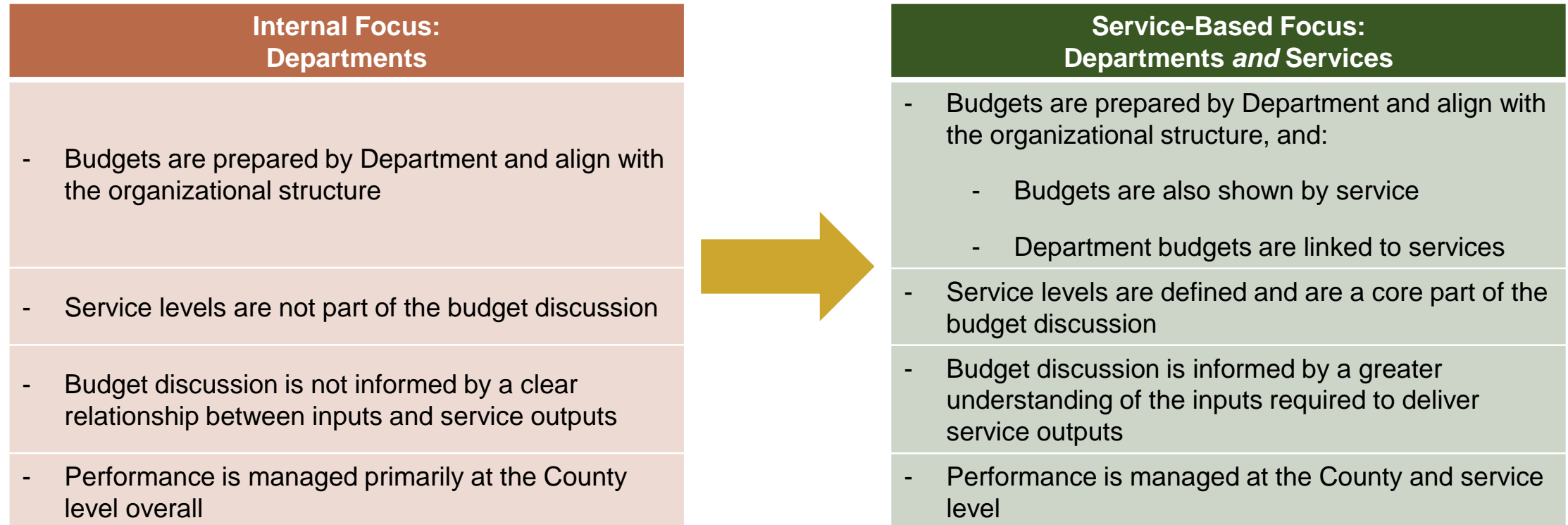
**Residents experience enjoying
a picnic at an open space.**

This service is delivered by four
departments, including:



Benefits of a Service-Based Perspective

A **Service Management Framework** provides tools for engaging in a **service-based perspective**, including service definitions, service levels, service costing, and service-based budgeting.



Benefits of a Service-Based Perspective

The following outlines the key benefits of transitioning to a service-based perspective.

What are the benefits?	What does it allow us to do?	How does it do this?
Improved engagement with residents	<ul style="list-style-type: none"> Ability to directly engage in how the customer is experiencing delivery and if it is acceptable. Ability to speak to the cost and priority of each service. 	Service definitions, service levels, service costs and service performance will aid in constructive conversations about resident expectations and County priorities.
Improved service level performance	<ul style="list-style-type: none"> Defined performance measures that reflect how the customer is experiencing the service. Defined performance measures that reflect how the County can impact customer experience. 	Performance measures are defined for customer level of service and technical level of service, linking how operational performance translates into customer service.
Improved budgeting and decision making	<ul style="list-style-type: none"> Transparency in resourcing, including costs and human resources, for each service and sub-service, as well as the corresponding service level. 	Service costing linked to service levels and risk can aid in budget discussions.



Evolution of a Service-Based Perspective

The following outlines how Council, Administration, and Customers (e.g., residents) will interact with each stage of this evolution.

	Build Understanding (Budget Cycle 2024)	Make Service Decisions (Budget Cycle 2025)	Monitor Performance (Budget Cycle 2026)
Council	<ul style="list-style-type: none"> Review services and current service levels delivered by Departments as part of budget understanding Train Council on Service Management Framework 	<ul style="list-style-type: none"> Make budget decisions considering service levels and costs, in addition to Department budgets. 	<ul style="list-style-type: none"> Review customer acceptance of service levels and consider proposed service level changes.
Administration	<ul style="list-style-type: none"> Train management on use of Service Management Framework Begin transition to service-based budget 	<ul style="list-style-type: none"> Expand service budgeting to include revenues and capital costs Validate resident agreement with current service levels Implement performance measurement and establish baseline 	<ul style="list-style-type: none"> Establish targets for service level performance measures Monitor service performance and propose changes to address areas of concern as part of budget process Refine the service management framework as needed
Customers (e.g., Residents)		<ul style="list-style-type: none"> Provide input on service priorities Provide input into agreement with current service levels 	<ul style="list-style-type: none"> Provide input on service priorities Provide input into agreement with current service levels



2024 Budget Cycle

Administration prepared a draft budget using the traditional approach and current service level and costing information is being finalized.

In addition to the traditional budget, Council will receive information about services, including:

- Classification of services by their role (core / non-core)
- Service levels
- Service risks

Council will have clarity on what services each department delivers and Administration will be available to respond to questions about existing service levels and associated costs.



Next Steps

Phase 5 of the project will include the following next steps:

- Finalize service cost model (September 29, 2023)
- Finalize service risks (October 20, 2023)
- Conduct training and development sessions with Administration & Council (October 2023)
- Build and deliver output tool and user guide (November 3, 2023)
- Close-out project (November 17, 2023)

