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REPORT TO THE GOVERNANCE AND FINANCE COMMITTEE MEETING OF WEDNESDAY, OCTOBER 2, 2019

SUBJECT 2019-2022 Service Planning and Budget Process

ISSUE

To provide the Governance and Finance Committee with an overview of initiatives undertaken in 2019 and planned for 2020 to deliver on approved Board Priorities and the Corporate Plan.

BACKGROUND

The Board completed its strategic planning early in 2019 and subsequently approved the *CRD Board Strategic Priorities 2019-2022*. Top priorities included:

1. Community Wellbeing – Transportation & Housing
2. Climate Action & Environmental Stewardship
3. First Nations Reconciliation
4. Advocacy, Governance & Accountability

Related to the above, the Board also identified 18 specific initiatives to be started/completed over its four-year term (Attachment 1).

Following Board confirmation of priorities, staff prepared the 2019-2022 *CRD Corporate Plan* to identify potential initiatives to advance Board Priorities. The Corporate Plan also identified initiatives to deliver on the CRD's established service mandates, approved plans and corporate priorities. Progress on the priorities is reported quarterly under the Corporate Priorities Dashboard.

Following completion of the Corporate Plan, staff commenced annual Service Planning. The Service Planning process identified resource implications to implement the Corporate Plan initiatives (including Board Priorities) as well as proposed adjustments to service levels and other departmental initiatives. The Service Planning process gathered information necessary to assemble a provisional budget for Committee and Board review.

DISCUSSION

Initiatives identified in the Corporate Plan cannot be undertaken without resourcing. The Board determines resourcing through its annual review and approval of financial plans. To support the Board's decision-making, staff, through the Service Planning process, provide recommendations on funding, timing and service levels to achieve the initiatives in the Corporate Plan.

In past years, service planning was undertaken division-by-division, with review and consideration of alignment and connection to Board Priorities and the Corporate Plan made primarily at the executive level. Staff have revised the Service Planning process to better align budget proposals to Board Priorities.

The revised Service Planning process centres on the preparation of business cases that outline the operational and cost implications of each initiative in the Corporate Plan as well as any proposed new operational initiatives. Specifically, the business cases capture the following information:

- drivers for new initiatives (is it a Board Priority, Corporate Priority or an initiative from an approved strategic plan?);
- community needs being responded to;
- how the initiative will make a difference;
- whether there is a need for additional resources;
- timing of the proposed initiative;
- cross-divisional staff effort required to complete the initiative;
- costs;
- funding sources;
- readiness to proceed;
- alternatives; and
- risks.

Divisional Managers completed business cases for their areas of responsibility, much like they previously completed divisional service plans. Departmental General Managers reviewed the business cases. Finally, the Executive Leadership Team assessed the business cases and prioritized/recommended those now being advanced for Committee/Board approval. Business cases were prepared and reviewed in consideration of the core service mandate and responsibility, key drivers, community needs, the most effective service delivery approach and the impact on other departments in the organization. In addition, departments identified the value proposition and key performance metrics associated with each community need.

Among the Board-directed initiatives, the items being advanced to the Standing Committees and Commissions are either currently underway or if requiring additional resources, have been incorporated in the proposed 2020 provisional budget. Remaining items are proposed to be considered for the 2021-2022 budgets unless Committees/Commissions direct advancing these initiatives earlier. Staff have also identified a number of departmental initiatives that will advance items that are strategies or have been identified by Committees and Commissions. The proposed new initiatives that require additional funding have been reflected in the provisional budget.

IMPLICATIONS

Committee/Commission/Board feedback on proposed new initiatives will be used to finalize budgets and financial plans. The budget review will identify the impact of core inflation, highlight key cost drivers, and explain changes in year over year costs. The provisional budget has been prepared in alignment with the Board approved budgeting guidelines and will be presented at the October 30, 2019 Committee of the Whole meeting.

Board approval of the budget/financial plans will enable staff to effectively and efficiently deliver services. Service delivery feedback will set the stage for the Board's annual review of its priorities.

CONCLUSION

Staff has revised the Service Planning process to effectively and transparently align financial planning to implement Board Priorities and the Corporate Plan. As this is a significant process change additional work will be undertaken to improve this process each year. The initiatives brought forward for 2020 have been evaluated in consideration of the organizational capacity, alignment with existing core service delivery and with regard to the financial impacts.

RECOMMENDATION

That the Governance and Finance Committee received this report for information.

Submitted by:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachments: Attachment 1 - 2019-2022 CRD Board Priorities on a Page

Priorities	Community Wellbeing – Transportation & Housing	Climate Action & Environmental Stewardship	First Nations Reconciliation	Advocacy, Governance & Accountability
Initiatives	• Work with government/community partners to plan for and deliver an effective, long-term regional multi-modal transportation system and to increase use of public transit, walking and cycling. • Protect the E&N Corridor as a transportation corridor and participate in a Provincial working group to come to agreement on the future use of the E&N corridor. • Create and deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse & growing population, including vulnerable residents.	• Declare a Climate Emergency and take a leadership role to pursue regional carbon neutrality by 2030. • Work with local governments to further reduce emissions from buildings, transportation and solid waste. • Explore additional opportunities for resource recovery and identify best practices to further reduce waste, increase recycling and find beneficial uses for waste. • Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation and reconciliation principles, land acquisition capacity, and expanded partnerships with First Nations and parks user groups. • Develop model bylaws and best practices for use by municipalities and electoral areas.	• Look to First Nations for leadership in understanding how to create new regional planning and decision-making systems together on their Traditional Territories. • Seek partnerships, share information and deliver fair and equitable services in working with First Nations on achieving their economic goals. • Work with First Nations on taking care of the land and water while providing space for cultural and ceremonial use, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names. • Prepare an ecological asset management plan that includes natural infrastructure, First Nations guiding principles, First Nations language and place names, historical uses and invasive species management.	• Develop an advocacy strategy to ensure all occupied properties have the opportunity to access high-speed internet services. • Develop a comprehensive strategy and operational review to reflect the unique needs and governance of each electoral area. • Explore more comprehensive regional coordination of emergency services, including an assessment of regional hazards, risks and vulnerabilities. • Achieve triple bottom-line sustainable budgets through innovation and streamlining while recognizing the need for infrastructure revitalization and accountability to taxpayers. • Seek 100% participation in the CRD arts function and facilitate a discussion of the region's art facility needs. • Explore how the CRD can best contribute to regional economic development.
Desired Outcomes	• We envision that residents have access to affordable housing and convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.	• We envision reduced GHG emissions, triple-bottom line solutions and progress on adaptation.	• We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.	• We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.

CRD Corporate Priorities on a Page

Business Capacity & Continuity

We will further advance our workforce planning and Organizational Health & Safety programs to support organizational capacity and resilience.

Fiscal Responsibility

We will integrate asset management and risk analysis into our capital planning processes to strengthen our fiscal management practices and support resource sustainability.

Transparency

We will streamline our service planning tools and establish KPIs to effectively track and report progress on Board Priorities, Corporate Priorities and operational service activities, thereby enhancing accountability.

Efficiency & Collaboration

We will develop a partnership directory and guidelines document to guide staff and existing/potential partner groups and enable greater collaboration.

Customer Service

We will enhance our systems and policies to respond to evolving best practices, adhere to legislative requirements, and provide efficient, accessible, customer service.

