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PROGRAM REVIEW WORK PLAN

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, September 15, 2005, from the Chief Administrative Officer and the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that the proposed work plan for Program Reviews outlined in this report be endorsed.

2. PURPOSE

This report has been prepared in response to direction from the Finance and Administration Committee on September 8, 2005 to prepare a work plan to undertake Program Reviews for selected regional departments.

3. BACKGROUND

On September 8, 2005, Finance and Administration Committee directed Regional staff to prepare a report outlining a process to undertake program reviews for Regional departments. This report has been prepared in response to this directive.

As noted in discussion at the Finance and Administration Committee meeting, the time required to complete detailed program reviews would not allow for these reviews to be undertaken and completed prior to finalization of the Region's 2006 business plan and budget. The Committee therefore requested that program reviews should commence in 2006, upon completion of the 2006 budget.

4. ANALYSIS AND OPTIONS

The purpose of the proposed Program Reviews is to identify potential efficiency improvements in services provided by York Region, which would help to reduce or mitigate future tax levy requirements. Tax levy requirements are in turn affected by several factors, including level of service required to achieve desired community outcomes as well as efficiency of operations.

4.1 Elements and Scope of the Work Plan

Program reviews would provide an opportunity for more detailed review and understanding of the costs and benefits related to the various activities/programs performed by Regional departments. These reviews would focus on the specific activities being carried out within a candidate department, and would provide an opportunity for more detailed review and analysis to supplement the Region's business plan and budget process.

The proposed work plan includes a review of the following topics:

- Activities presently being carried out
- Cost of activities
- Outcome/results of activities
- Review of service delivery models
- Trends in Key Performance Indicators:
  - Service Level
  - Efficiency
  - Outcome
  - Customer Service
- Benchmarking information comparisons with other municipalities
- Opportunities for innovation and/or efficiency improvements

4.2 Areas for Review

Undertaking program reviews will involve a significant time commitment by Regional staff and Council/Committee members. As such, it is recommended that a limited number of program reviews focusing on specific Regional departments be undertaken.

4.2.2 Phase I

It is recommended that the Program Review project be phased in and focus on four subject areas, being three operating departments and one support area. These reviews would be carried out sequentially in order to learn progressively from each experience. The programs recommended for the first phase of the project are Transportation Services (Roads), EMS and Housing Services. The three program areas represent each of the three largest Commissions and provide service delivery directly to the public. The support area, Supplies & Services in Finance, provides service to all operating departments.

4.2.2 Subsequent Phases

It is proposed that subsequent Program Reviews could include Water and Waste Water Services, among other possible departments. Water and Waste Water services face significant potential cost increases given legislative changes, and growth and replacement related capital requirements.

4.3 Program Review Committee

It is proposed that a Program Review Committee would be formed for each subject area. These committees would be a task force of the CAO and Regional staff with input from the Regional Chair, Chair of Finance and Administration Committee, Chair of the Audit Committee, and the Chair of the applicable standing committee.

It is envisioned that Regional staff from the Chief Administrative Officer's department, Finance and applicable departments would be involved as required.

4.4 Timelines

It is proposed that the first study in Phase I of the project would commence in January 2006 with a target completion date of March 2006. The two additional studies would be targeted for completion by June 2006, prior to commencement of the 2007 budget process. Upon completion of the three studies, the results of process would be evaluated and the option of undertaking additional reviews would be considered. Possible efficiencies or cost reductions resulting from Phase I of the process would be incorporated in the Region's 2007 business plan and budget.

4.5 Relationship to Vision 2026

Undertaking program reviews supports the Vision 2026 goal of ensuring engaged communities and a responsive Region with related objectives of continued fiscal responsibility and accountability to citizens. As well, through its relationship with tax levy requirements and provision of appropriate service levels, this project contributes to the goal of maintaining a vibrant economy which attracts and supports new businesses and residents in York Region. Similarly, this project supports the strategic growth management goal of ensuring affordable growth by striving to ensure that Regional services are delivered at a reasonable level of taxation, which can assist in accommodating future growth related costs.

5. FINANCIAL IMPLICATIONS

To ensure cost effective service delivery while providing acceptable levels of service to residents and businesses, York Region utilizes a comprehensive financial management approach which includes performance measurement, quarterly reporting of financial results and results based business planning and budgeting. The proposed work plan for Program Reviews will provide another means to assist in the Region's ongoing efforts to ensure cost effective service delivery.

It is envisioned that this initiative will not require increased expenditures in 2006, but will be carried out using existing staff and resources. However, it should be noted that a significant time commitment from staff will be required, and other previously scheduled projects may need to be reprioritized.

6. LOCAL MUNICIPAL IMPACT

Undertaking Program Reviews will support the Region's financial management framework which strives to ensure cost effective service delivery while providing acceptable levels of service to residents and businesses within York Region.

7. CONCLUSION

The proposed Program Review work plan outlined in this report includes reviews for three regional service areas, with reviews to commence in 2006. To ensure cost effective service delivery while providing acceptable levels of service, York Region utilizes a comprehensive financial management approach which includes performance measurement, quarterly reporting of financial results and results based business planning and budgeting. The proposed work plan for Program Reviews will provide another means to assist in the Region's ongoing efforts to ensure cost effective service delivery.

The Senior Management Group has reviewed this report.