



Town of Essex

Service Delivery Review – Current State Report
Town of Essex Council Presentation

October 13, 2020



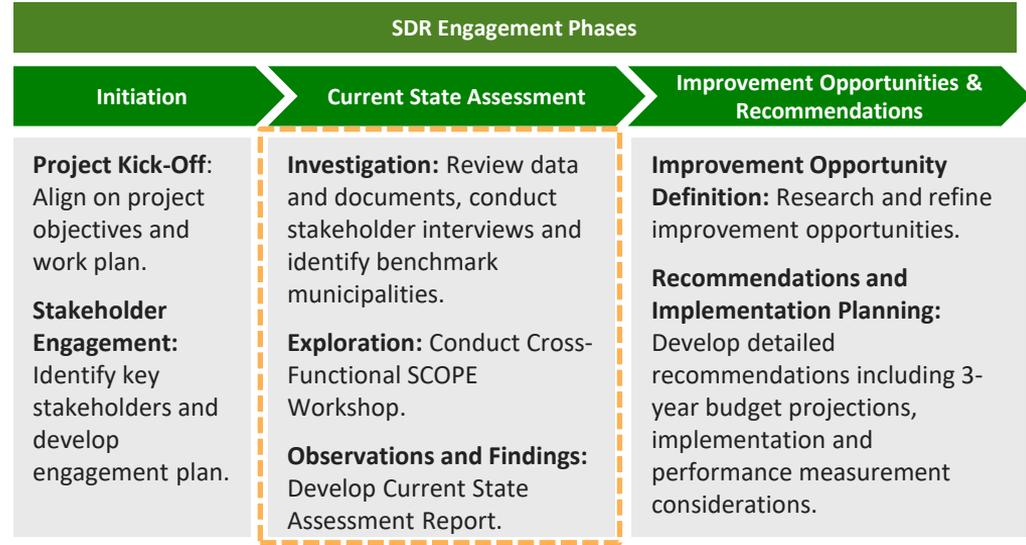
Project Context and Progress to Date

Current Phase: Current State Assessment

This report details the results of Phase 2 of the Engagement, which encompasses the Current State Assessment and Opportunity Generation activities.

The objectives for this Phase include:

- **Assessing** Essex’s municipal environment, including its strengths, weaknesses, opportunities, and threats.
- **Building** a thorough understanding of the Town’s municipal services and delivery models.
- **Evaluating** how Essex compares to its peer municipalities within and beyond Essex County.
- **Identifying** potential improvement opportunities to be further explored in the next phase of the Engagement.



Based on our work to conduct the current state assessment, we have developed a list of 34 potential service delivery improvement opportunities:

- 13 potential enterprise-wide opportunities, 13 department specific opportunities and, 8 shared services opportunities further investigation.
- A short-list of 8 potential high-impact opportunities recommended for further exploration, (additional leading practice opportunities are also highlighted).

Key High-Level Findings from the Current State Review



Information gathered through existing data and documents, specific details on all core services, Senior Management Team (SMT) and Council interviews, and a workshop with staff, informed the following outputs, which in turn, were used to develop service delivery improvement opportunities.

Key takeaways were as follows:

- **Essex has achieved strong financial health and sustainability** by building up reserves and outperforming the recommended target for operating surplus.
- **Essex has sustainable debt management** and must continue to balance funding capital projects and the capacity to deal with unexpected circumstances. It would be beneficial for the Town to continue to evolve their Asset Management Plan to support responsible capital expenditures.
- **Essex has made investments in its human capital** and should continue to focus on enhancing training, professional development, and performance management to achieve maximum organizational capacity, and explore the potential of work-from-home arrangements.
- **Essex receives the least amount of revenue from property taxes and the most amount of revenue from the Ontario Municipal Partnership fund (OMPF)** as compared to its peers. Should the OMPF funding decrease, the Town may face revenue shortfalls. This is further compounded by its less lucrative tax assessment mix, which is predominantly rural nature.
- **There are opportunities for regional collaboration** and sharing of services. The initial channel for this type of activity may be through a shared services initiative of the County's south shore municipalities to help build momentum and show proof of concept for further expansion.

Preliminary analysis indicates that high-impact opportunities lie in optimization through the lens of people (e.g. training skilled workforce), process (e.g. standardizing processes), and tools (e.g. modernizing IT infrastructure).

Our Municipal Target Operating Model

StrategyCorp used the following Target Operating Model to assess the town's current state:



Governance and Strategy

Where does Essex want to go and how will it get there?



People and Culture

Does Essex have the right type and level human capital to achieve its goals and support its core business? Does it have the leadership, support, physical environment to encourage a strong workforce?



Service Delivery

How does Essex deliver on its core business of service delivery? Does it have the right service mix to achieve its goals?



Processes and Technology

Does Essex have the sufficient and appropriate internal processes and supporting technology to advance its goals?

A Target Operating Model is a blueprint of an organization's vision that aligns operating capacities and strategic objectives.

It provides an overview of the core business capabilities, internal factors, external drivers, strategic and operational levers, organizational and functional structure, technology, and information resources, among other things.

Overview of Opportunities – Governance and Strategy



Where does Essex want to go and how will it get there?

Improvement Area	Rationale/Proof-Point	Opportunity #
Further developing key components of long-term strategic planning	<ul style="list-style-type: none"> • Enterprise risk management: Few, if any municipalities the size of Essex have an ERM Policy. However, ERM is becoming a necessary competency and the Town has an opportunity to be a leader. Essex also has high level of tangible assets compared to its peers and a high OMPF allocation, both of which could put the Town at risk if not managed correctly. • Asset management: Essex’s most recent AMP was developed in 2015 (with an update in 2017). A strong AMP is critical to long-term financial planning to smooth large costs over time. 	4, 22
Supporting long-term strategy with clear implementation plans	<ul style="list-style-type: none"> • Implementation planning: Department-level planning processes and clear implementation roadmaps with performance measurements will help staff across departments deliver on commitments in the short- and medium-term. 	2, 3
Improving internal and external communication of corporate strategic direction	<ul style="list-style-type: none"> • Staff-Council relationship: It has been recognized that existing training efforts have had positive impacts and both groups identified the need for additional training to ensure council provides strategic direction and oversight and leaves operations to staff. • Cross-departmental coordination: Could increase collaboration and information sharing and help overcome any silos that may exist due to procedural and physical barriers. • Communications support: The development of a communications toolkit will support individual departments to better communicate alignment to the Strategic Plan internally and externally. 	1, 10, 16

Overview of Opportunities – *People and Culture*



*Does Essex have the right type and level of human capital to achieve its goals and support its core business?
Does it have the leadership, support, physical environment to encourage a strong workforce?*

Improvement Area	Rationale/Proof-Point	Opportunity #
Developing a comprehensive HR strategy with updated and standardized workforce policies	<ul style="list-style-type: none"> • Staff retention, succession, and engagement: There is some concern around staff retention, professional development and succession planning (especially with respect to retiring staff). <ul style="list-style-type: none"> – The organization operates with a lean staff complement and could benefit from a clear process for staff growth to enable promotions from within and reduce overall turnover. – Professional development and training, flexible work options, and internal communications policies could all be reviewed and adjusted to solidify Essex as a great place to work. 	5, 6, 7
Assess opportunities for new and upgraded facilities	<ul style="list-style-type: none"> • Physical barriers to productivity: There is an overall feeling of dissatisfaction with the current physical work environment, which is known to be a critical factor in employee engagement, satisfaction and productivity. Beyond the level of comfort, there are barriers related to teams being physically separated. 	12
Review of key organizational design components	<ul style="list-style-type: none"> • Duplicative and fragmented administrative support model: Clerks are specialized in their roles, which can result in fragmentation. There are also two reception desks, which can cause duplication and customer confusion. <ul style="list-style-type: none"> – In certain instances there is excess capacity across administrative and clerk resources (e.g. fire) and in others there could be increased capacity (e.g. CAO EA). A review may reveal efficiencies and a more streamlined customer experience. • Placement of key functions: Some questions about the placement of certain functions within their current departments were raised, and may warrant further investigation (e.g. HR and facilities). 	13,15, 18, 19, 20

Overview of Opportunities – *Processes and Technology*



Does Essex have the sufficient and appropriate internal processes and supporting technology to advance its goals?

Improvement Area	Rationale/Proof-Point	Opportunity #
<p>Continue to streamline IT processes and tools</p>	<ul style="list-style-type: none"> • Online capabilities: There are currently many services that still require in-person payment. Changes made to in-person processes during COVID should be continued and built upon. • Expanded use of the CRM: This could support increased collaboration, streamline information sharing and timelier resolution of issues internally and externally. • Review of electronic records management: The Town manages records with paper-based and digital processes but lacks a central location for storing information. This makes accessing information time-consuming. 	<p>8, 9, 10, 22</p>
<p>Update and formalize service models and Standard Operating Procedures consistently across the organization</p>	<ul style="list-style-type: none"> • Standardization and quality control: Standard operating procedures are not codified, making training challenging for new staff. It was noted that absent clear and consistent procedures, there will be a continued lack of transparency into complex projects, which can cause frustrations both internally and externally. • Outdated models: Building Division still encounters paper applications and hard copy plan drawings. Inspectors in the field are not equipped proper tools. Archives are not scanned and searchable, and filing cabinets are filled with decades of documents that are not scanned and searchable. Updating and modernizing these processes would improve service delivery across the department. 	<p>11, 23, 24</p>

Overview of Opportunities – Service Delivery (1 of 2)



How does Essex deliver on its core business of service delivery? Does it have the right service mix to achieve its goals? Are the needs of customers being met?

Improvement Area	Rationale/Proof-Point	Opportunity #
Assess opportunities for new and upgraded facilities including a new Town Hall.	<ul style="list-style-type: none"> • Dated facilities: The lack of proper space can be and impediment to accessing services for customers. The Town Hall is over capacity, and departments are split up across several buildings, which is confusing and inaccessible for residents. 	12
Establish clear service levels for all services across the organization	<ul style="list-style-type: none"> • Lack of clear service levels: Having clear service levels across the organization is best practice for municipalities and will help improve service delivery. Service levels allow organizations to identify key improvement areas and track progress over time. <ul style="list-style-type: none"> – Infrastructure Services in particular could benefit from implementing service standards and condition assessment ratings , as the department lacks service standards beyond what is provincially legislated (e.g. roads). 	14,17, 22

Overview of Opportunities – Service Delivery (2 of 2)



How does Essex deliver on its core business of service delivery? Does it have the right service mix to achieve its goals? Are the needs of customers being met?

Improvement Area	Rationale/Proof-Point	Opportunity #
<p>Shared service delivery and purchasing</p>	<ul style="list-style-type: none"> • Several shared opportunities were identified: <ul style="list-style-type: none"> – Shared services initiative: By sharing certain assets and resources (HR, IT, Fire) with neighbouring municipalities, Essex can lower costs through economies of scale and scope. It may allow access to new revenue streams that require a critical mass of users or inputs. – Collaborative purchasing: Municipalities across Ontario have realized significant savings through collaborative procurement. The York Region N6 Collaborative Procurement Initiative found 5%-10% savings by sourcing together on services like auditing, waste collection, training, insurance, fleet, and economic development. – GIS: The Town of Essex currently provides its own GIS and mapping services in-house, and while each of its Essex County peers also provide this service, the other selected peer comparators, Strathroy-Caradoc and Tillsonburg receive GIS services at the County level. 	<p>25, 26, 27,28, 29,30</p>

Service Delivery Improvement Opportunities for Further Exploration

Of the 34 opportunities, we have identified a preliminary shortlist of high-impact initiative to be developed more fully in the next phase of the project. Some of these opportunities may be grouped together should logical synergies become apparent.

Provide training for the Town's CRM software and establish customer service policies. Explore additional applications of this software. (see opportunity #8)

Assess opportunities for new and upgraded facilities, including a new Town Hall, and develop an accommodation policy. (see opportunity #11)

Review the current complement of Clerks and consider increased centralization and generalization of the clerk function. (see opportunity #13)

Hire an executive assistant to support the CAO and Mayor. (see opportunity #14)

Update the asset management plan (AMP) and a supporting reserve policy. (see opportunity #22)

Further explore cost recovery improvements and potential impacts on key development services. (see opportunity #24)

Explore the development of a south shore shared services initiative or corporation (see opportunity #27)

Explore sharing Fire Services with other municipalities in the south shore region. (see opportunity #28)

Phase 3: Improvement Opportunities and Recommendations

- 1 Confirm shortlist of potential high-potential opportunities, determine necessary inputs to analysis
- 2 Refine priority improvement opportunities, including opportunity definition, scope and define options.
- 3 Develop recommendations specific to high-impact opportunities, including implementation considerations
- 4 Prepare and present Recommendations and Implementation Report for presentation to Senior Management Team and Council (date to be determined).
- 5 Finalize report for MMAH submission by early December.



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