

Risk & Level of Service

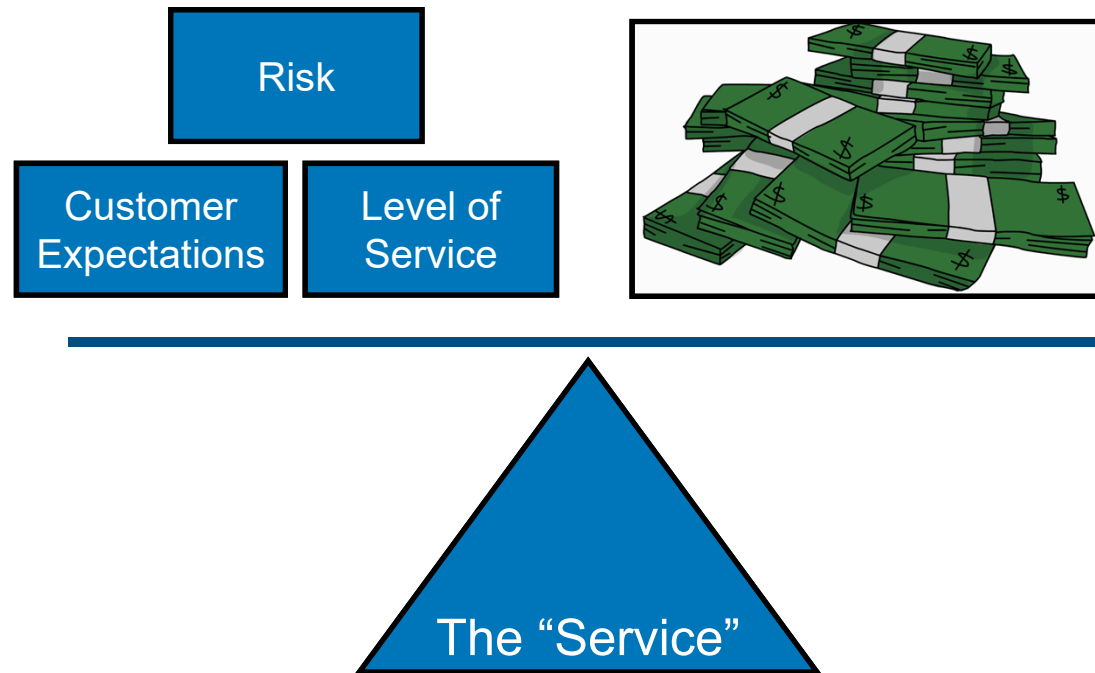
From Theory to Action in 4 Easy Steps

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Welcome!

- About us
- Today
 - Background on Level of Service & Risk
 - Deep Dive into Level of Service (What, *How, How Well*)
 - Risk Interconnectivity
 - 4 Easy Steps

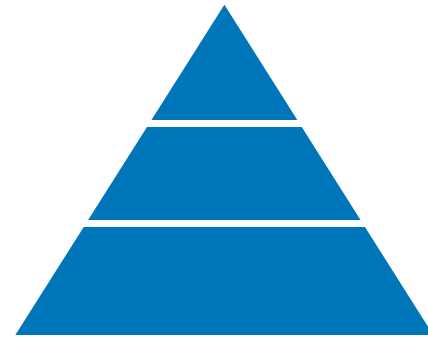
Level of Service & Risk



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Level of Service & Risk

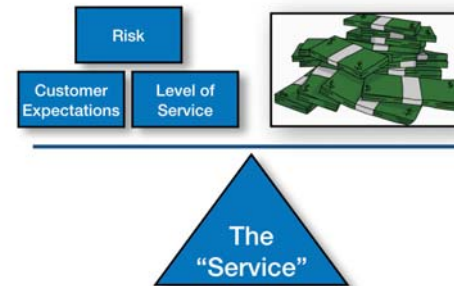
- Level of Service and Risk are at the heart of what we do (Service Delivery)
- Level of Service drives cost and creates the customer experience
- Risk determines our comfort and exposure to issues



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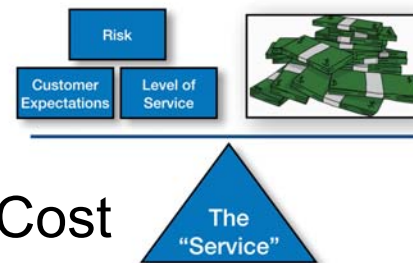
Level of Service & Risk

- But What about Cost?
- What happens to Cost when Risk and LOS change?
- Customer Expectations?
- Do they change equally?



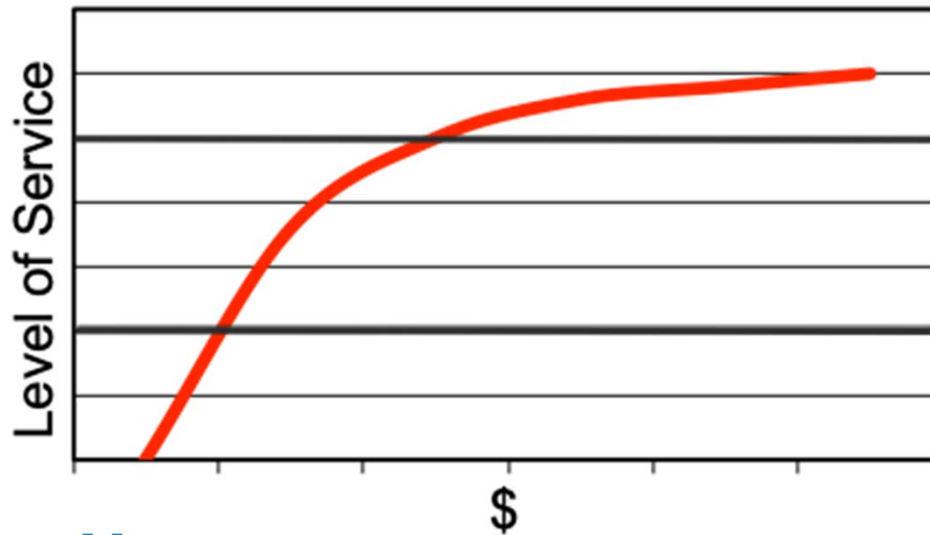
Level of Service & Risk

- This is delicate balance between all 4
- If you move one (for more or less) the whole system is out of balance
- More Service = More Cost
- Less Risk = More Cost
- Higher Expectations = More Cost



Level of Service, Cost & Risk are Connected

LOS-Cost Curve



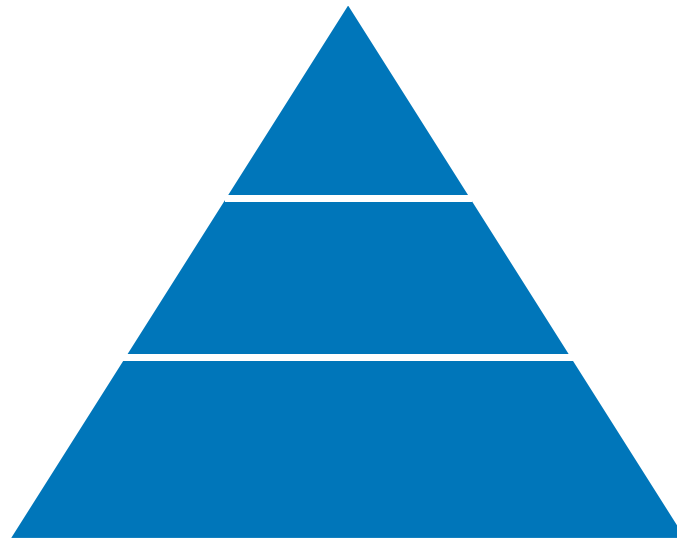
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Level of Service, Cost & Risk are Connected

- When we change cost (or the Budget), what happens?
- How often do we ask (or talk) about the impact of budget decisions? Do we speak to LOS? Do we quantify Risk?

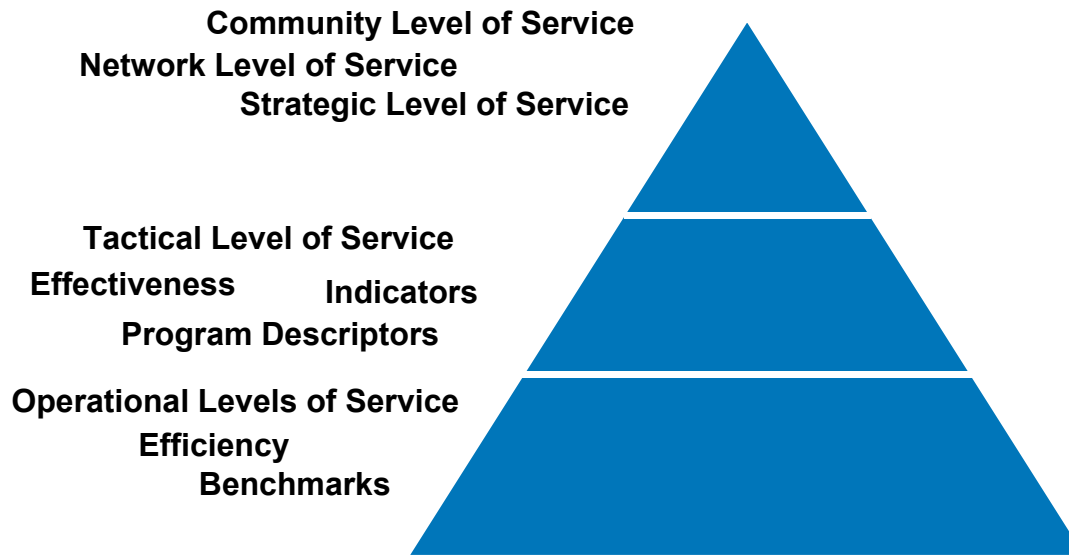


Level of Service



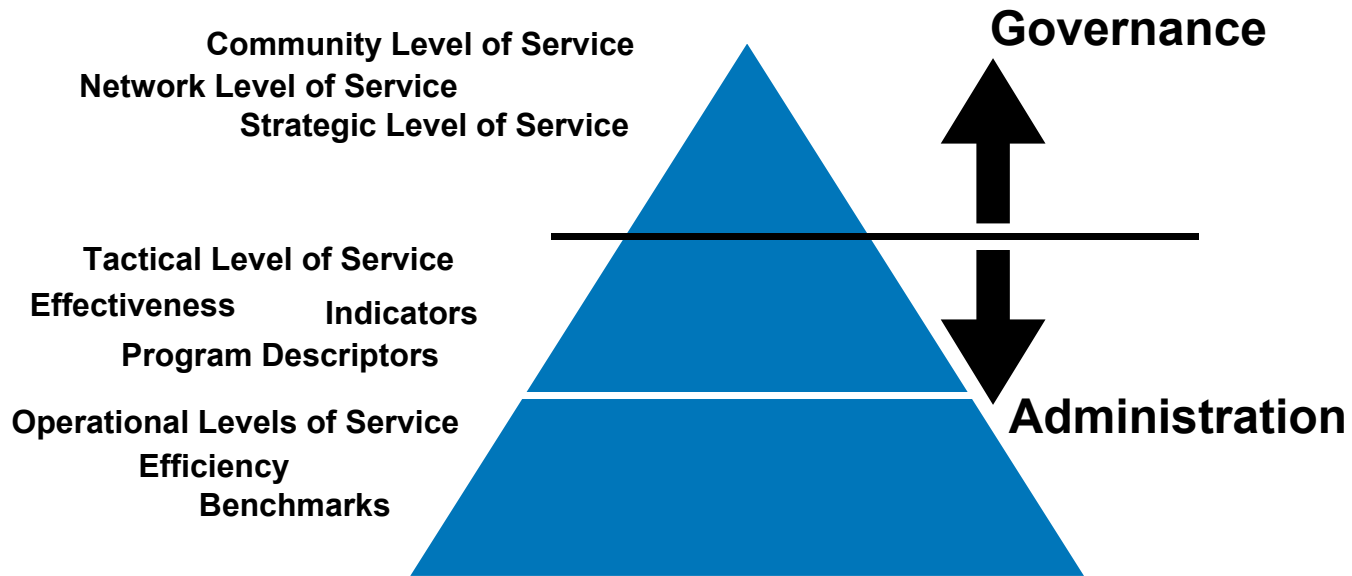
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Level of Service



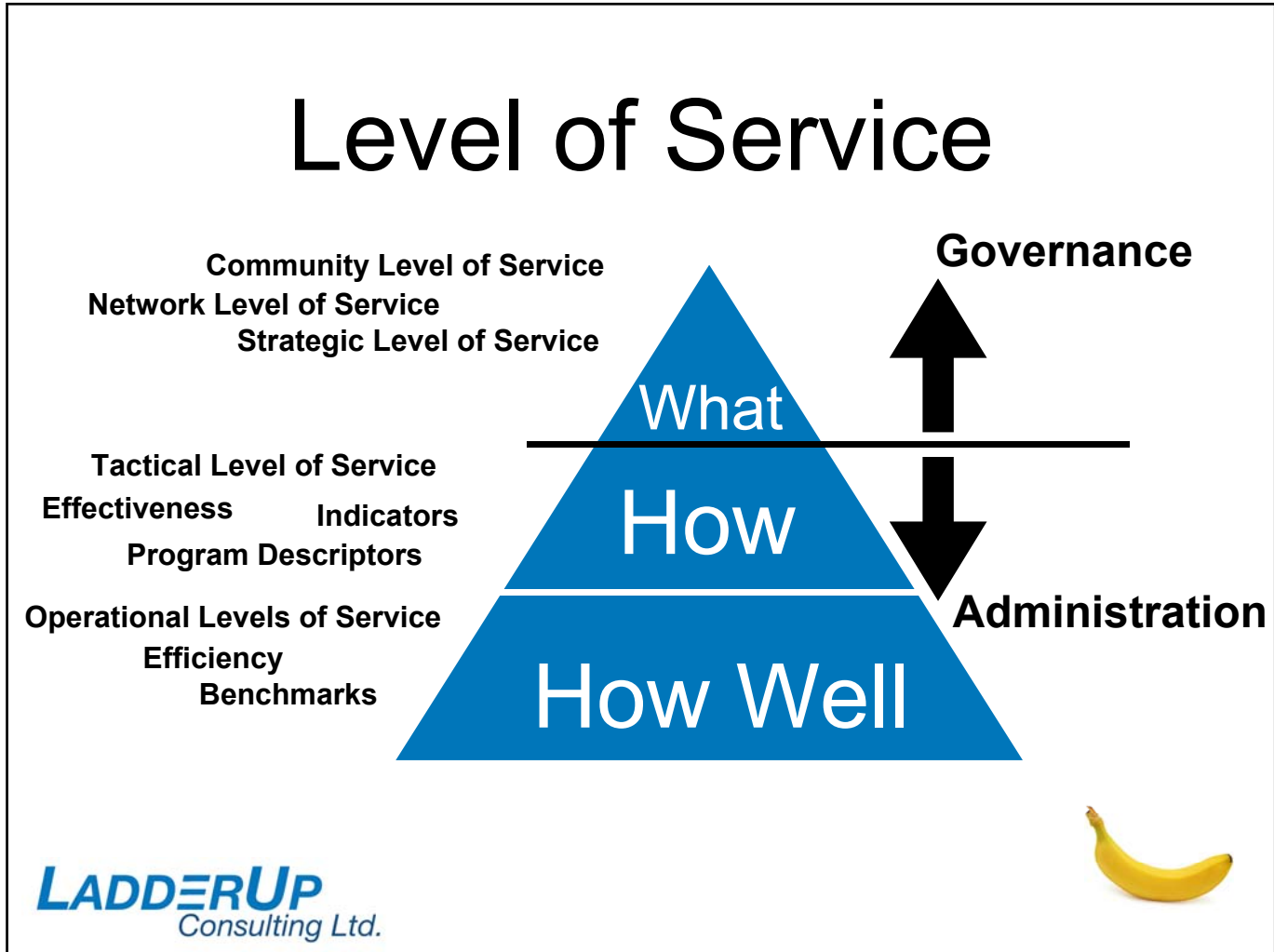
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Level of Service

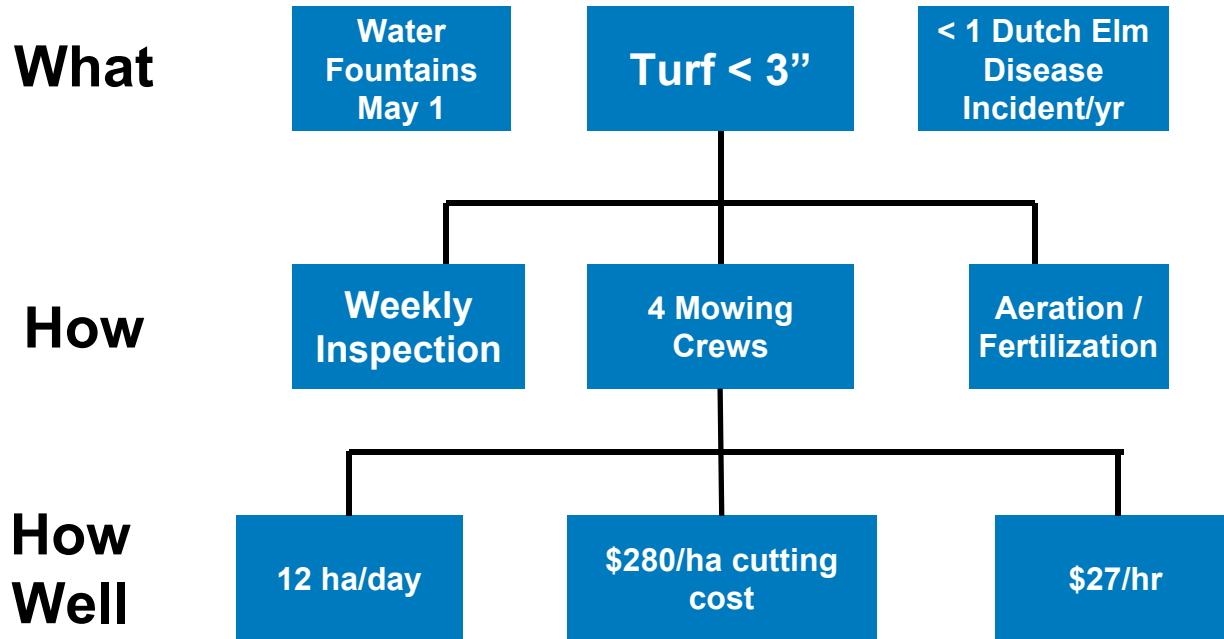


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Level of Service

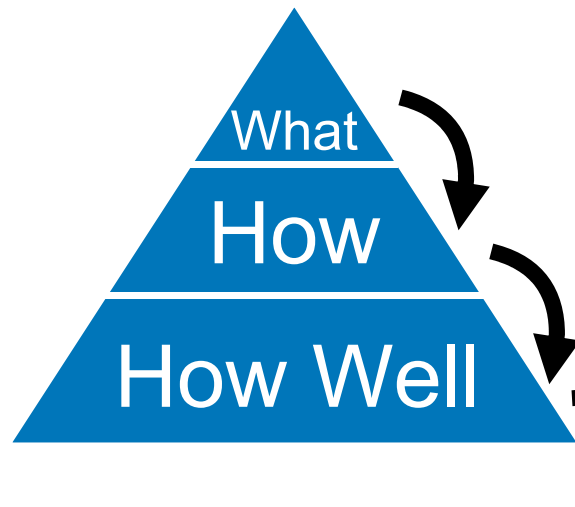


Fitting it All Together – *Green Space*



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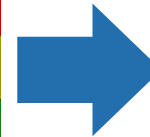
“Service Delivery in 4 Easy Steps”



1. *What*
2. *How*
3. *How Well*
4. *Risk*

Risk?

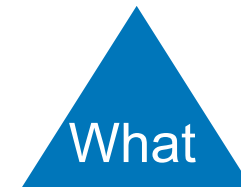
Low	Medium	High
Low	Medium	Medium
Low	Low	Low



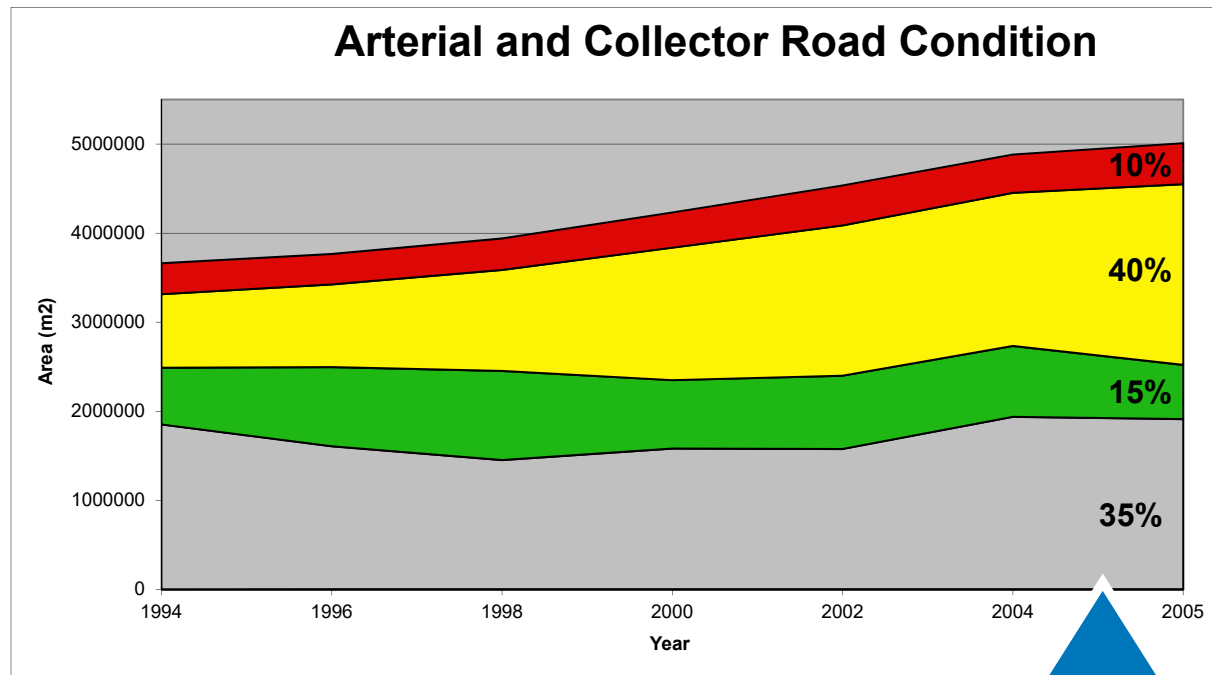
Cost!

What do we deliver?

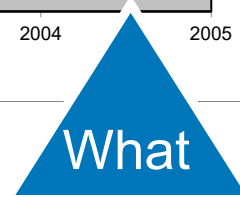
- Level of Service is dependent on community values as set by the elected Council.
 - Percentage of roads in good/fair/poor condition
 - Percentage availability of potable water from the municipal system
 - Hours to clear roads after a snowstorm
 - Recreation centre has capacity to meet demand 85% of the time



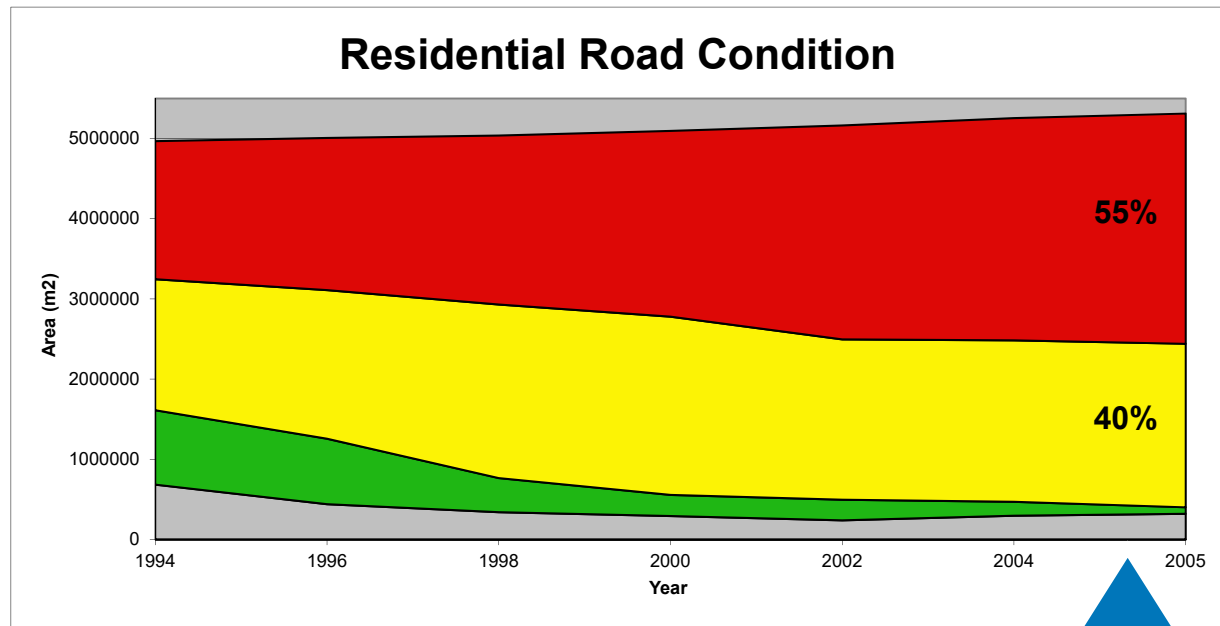
What do we deliver?



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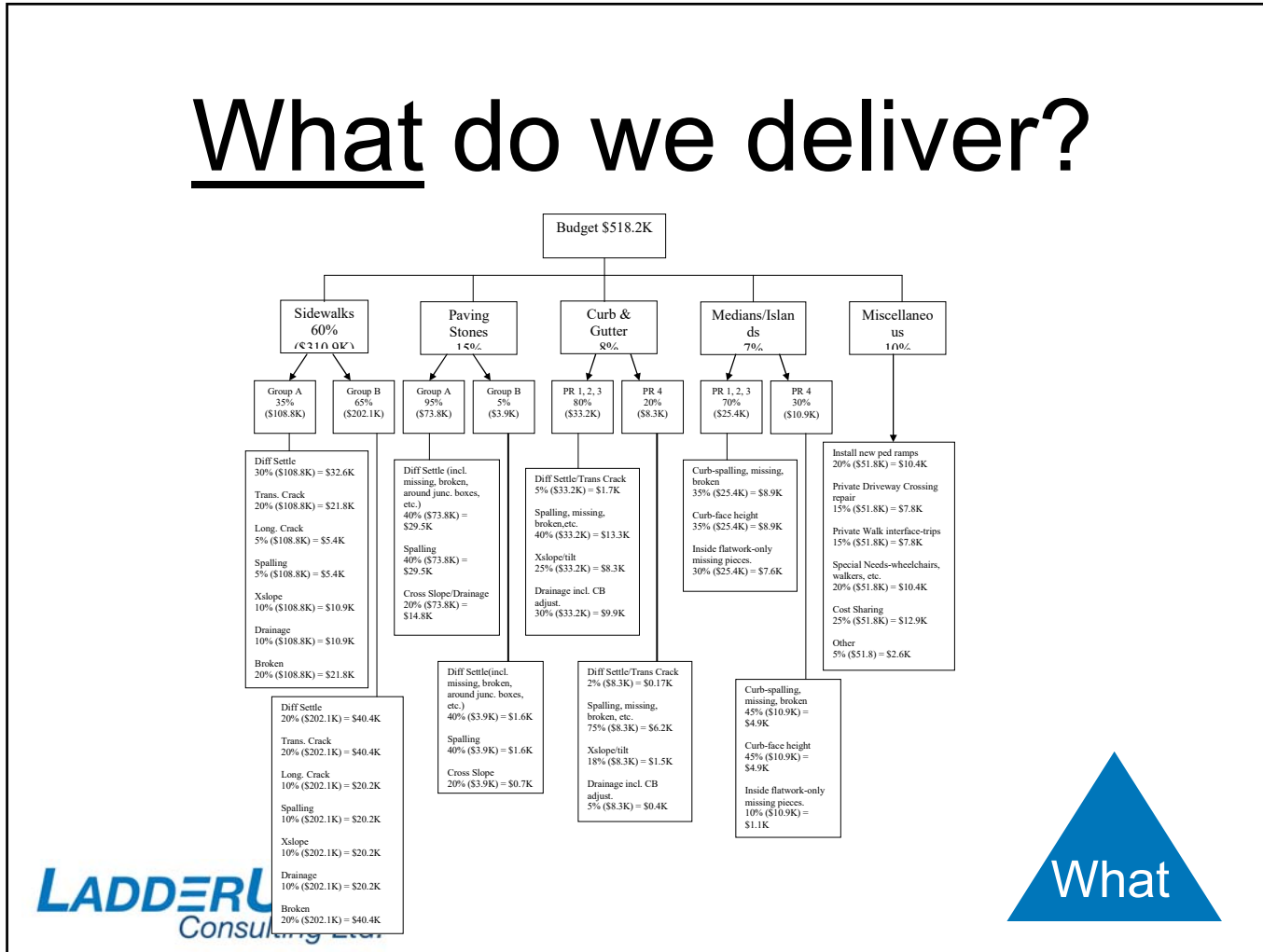
What do we deliver?



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What

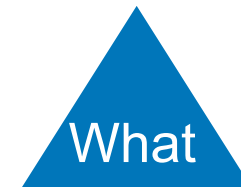
What do we deliver?



What do we deliver?

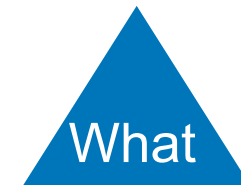
Level of Service is strictly the domain of City Council, with advice from the Administration.

This is what the community expects for their tax dollars



What do we deliver?

- Exercise 1 in your Worksheets
- Think about one of the ways that you can describe **WHAT** you deliver to the citizens.
- Be specific. Be descriptive.



How do we do it?

- What Programs do you run? How do you plan and describe your activities?
- What do you need to do to meet your What objectives. What indicators do you use to measure?
- You *all* know what programs you run.

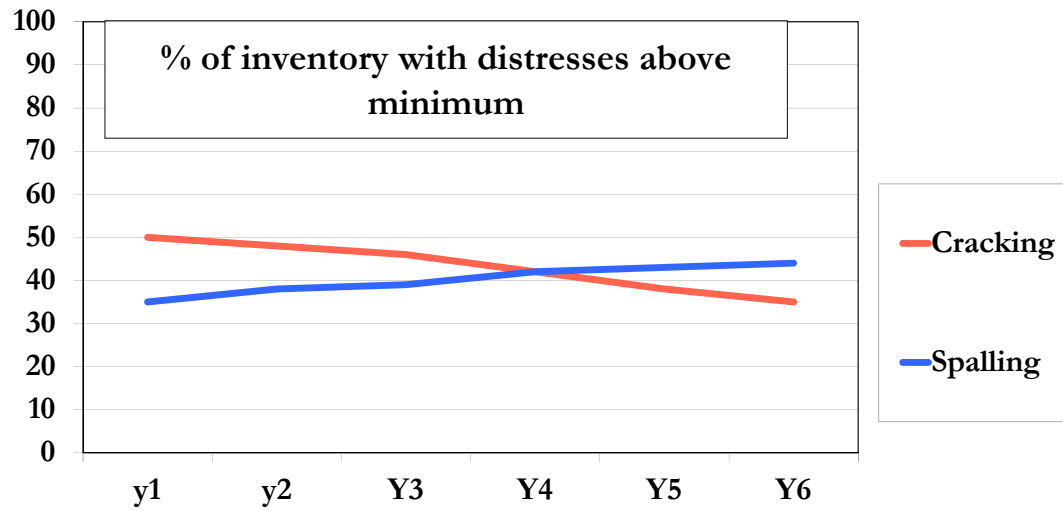


How

How do we do it?

- Typically describes what needs to be done to achieve the Strategic Level of Service
 - Percentage of roads renewed/repaved per year
 - km of Roads cracksealed annually
 - # of Graders and shifts required to meet our snow plowing target
 - # of Janitors on staff during ice hockey tournaments

How do we do it?



How

Start With How

- Example 2 in your Worksheets
 - Think about the programs that you operate to deliver the level of service
 - Think about how you would organize and measure your work
 - BONUS! Citizen Input?



How

How Well Do We Do It?

- Typically describes operational measures and can be used for trends and analysis
 - • \$/m² for road renewal/repaving
 - • \$/hr operating cost for recreation facilities
 - • \$/repair for watermain breaks
 - • \$/km to plow snow

How Well Do We Do It?

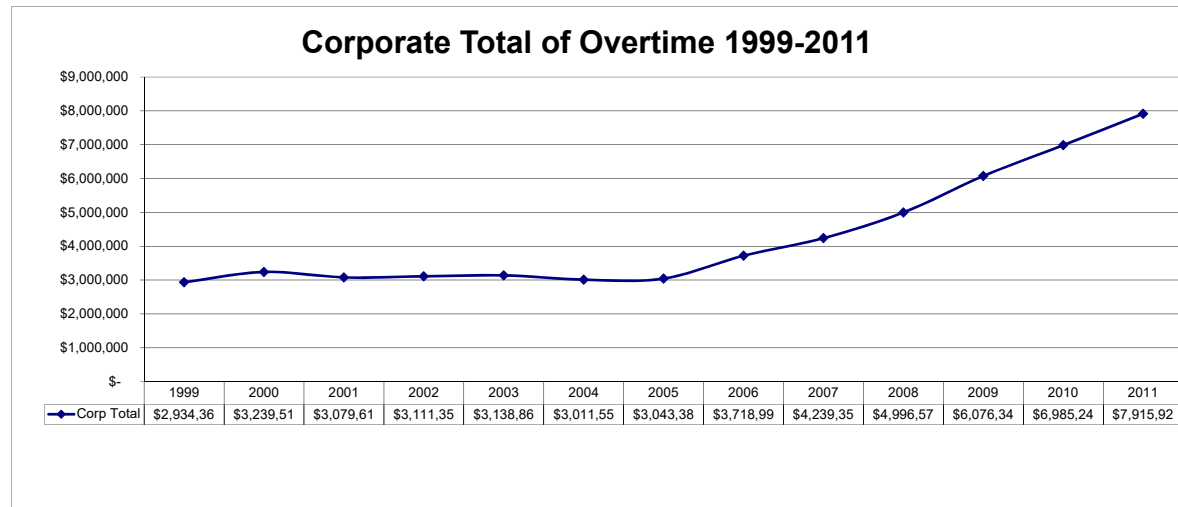
- At Budget
 - “Could you make do more with 5% less money?”
 - “I’ve been told (on coffee row) that our crews are not that efficient.”

How Well Do We Do It?

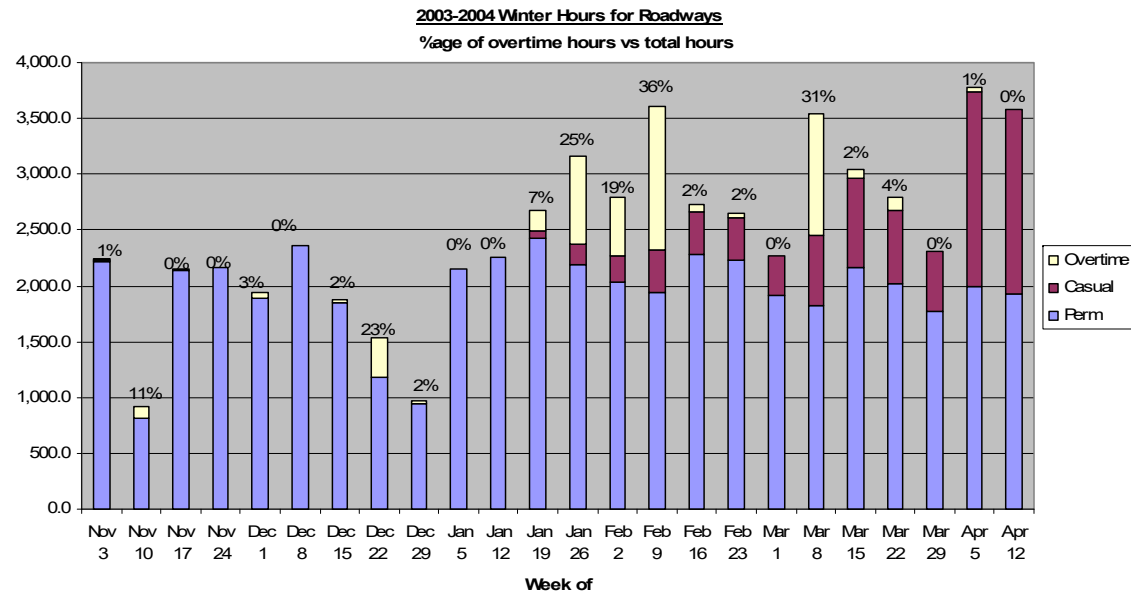
- This is the opportunity to tell your story
- If you apply nothing else from today, this will help tell your story....

....and you already have the information (probably)

How Well Do We Do It?



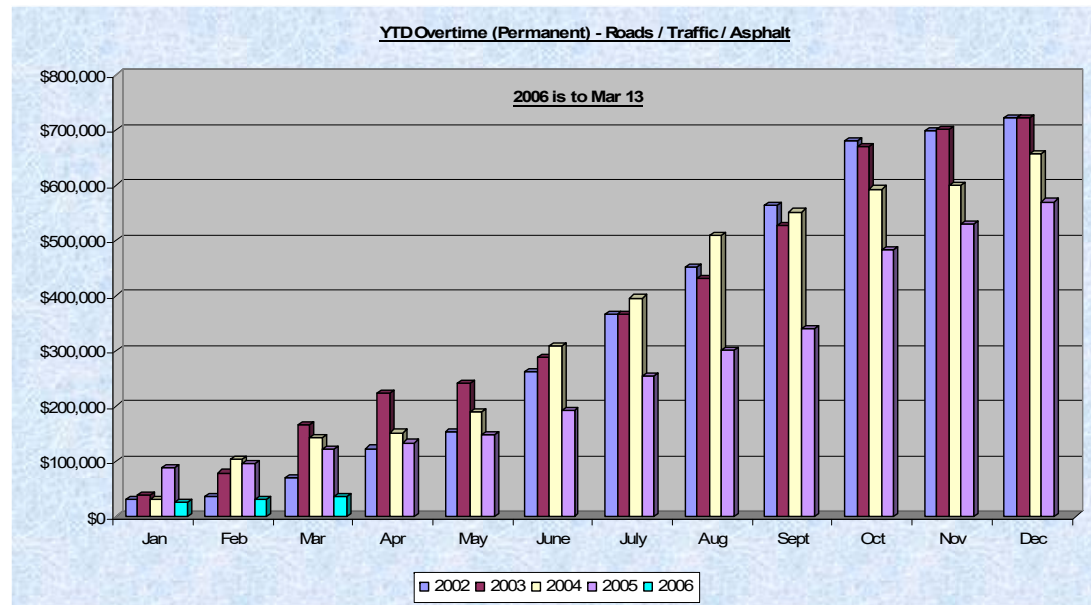
How Well Do We Do It?



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How Well

How Well Do We Do It?



How Well Do We Do It?

- Exercise 3 in your Worksheets
 - Think about how the programs you operate, how would you describe efficiency?
 - \$/hr, \$/m, #km/shift

Risk - Can you live with the Risk...or Cost?

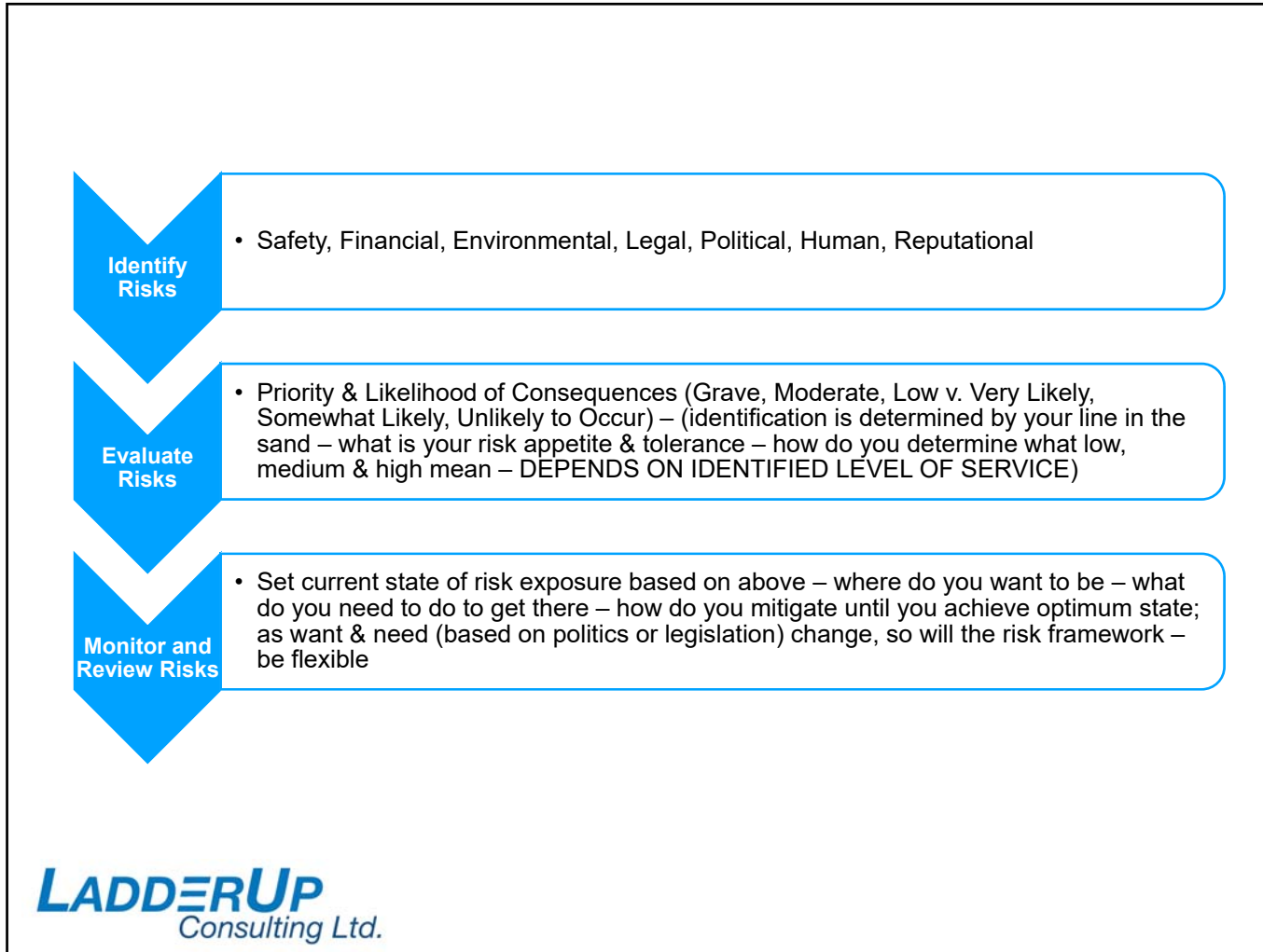
Medium	High	Critical
Low	Medium	High
Low	Low	Medium

BASIC PREMISES

- A municipality operates for the benefit of its citizens.
- Benefit is a balance between what a citizen wants and what a citizen needs.
- Council is elected by citizens to obtain what they want and to let them know what they need.
- Administration is hired by Council as the competent experts that can advise as to what citizens need, can understand what citizens want, and can deliver the best balance between the two within the risk tolerance and budget set by Council.

LEVEL OF SERVICE & RISK MANAGEMENT

- Is really just the process of discovering what citizens want, what Council wants on behalf of their citizens, what the citizens need to ensure they can get what they want within the levels of risk tolerance and budget that Council has set, and ensuring that there is a plan to mitigate anything that may go wrong in delivering the services to support those wants and needs.
- This process requires engagement across the organization, both vertically and horizontally.
- There can be no silos – nor should there be, since the end goal is the same. It is only the method of getting there that differs.



WANTS VS. NEEDS = LEVEL OF SERVICE

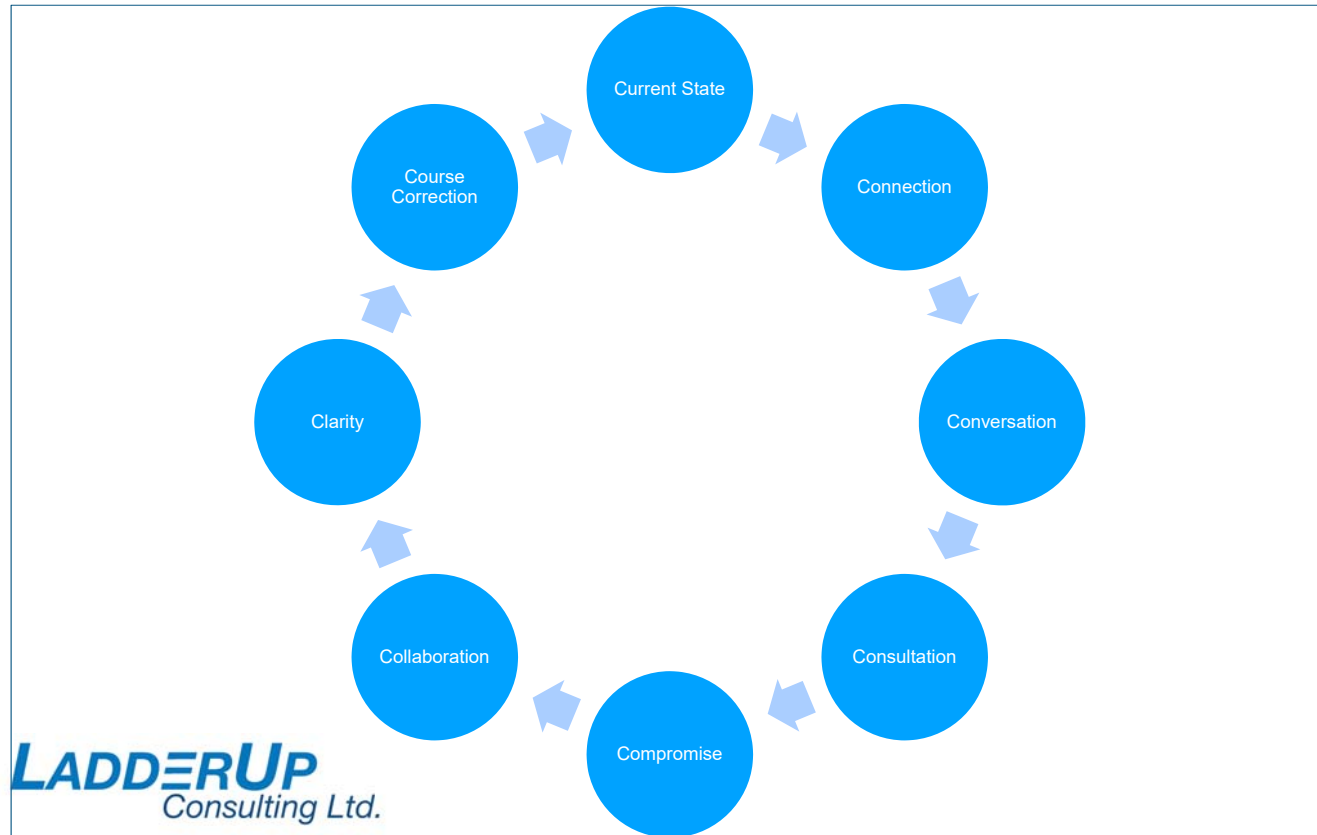
Wants

- Lots of pretty greenspace
- Safe play spaces
- Outdoor activities
- Flora/Fauna/Wildlife interaction
- Bike/Hike/Run/Ski/Rollerblade Trails
- Low or no cost
- Top of the line facilities
- Best qualified staff

Needs

- Adequate play space/greenery for population density
- Clean parks/facilities
- Safe interaction with Flora/Fauna/Wildlife
- Shared Trails
- Safely constructed facilities
- Water & shelter & toilets
- Shared Responsibility & Accountability
- Fair costs
- Community focussed purposes for park
- Competent staff

C THE PROCESS



PROCESS - SERVICE LEVELS, RISK & COST

- **CURRENT STATE** – determine current service levels & supporting data (consequences)
- **CONNECTION** – connect with other related departments and units within your own department
- **CONVERSATION** – discuss your priorities and objectives with a cross functional team to determine overall organization needs
- **CONSULTATION** – reach out to citizens for their input to determine where you need to be to satisfy wants
- **COMPROMISE** – work with your cross functional groups to determine the ideal state that incorporates both wants & needs – each person will need to give to get to a good place
- **COLLABORATION** – report back to Council and to Citizens on what you have developed as ideal state & obtain further input about relationship to wants, needs & budget
- **CLARITY** – don't use acronyms, don't use buzzwords, don't use long words, don't be vague – if you don't understand something, seek clarity – if someone doesn't understand what you are doing, provide simple explanation, preferably with pictures or video or charts
- **COURSE CORRECTION** – regularly review your service levels & supporting data outlining consequences to determine cost controls; do spot surveys to review citizen input to determine wants; schedule regular meetings to consult, converse & connect across the organization to determine needs and available assets; remember to be guided by Council direction on risk tolerance levels, service level approval, budget & political sensitivities

BE FLEXIBLE TO C RESULTS!!

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RISK MATRIX

HIGH CONSEQUENCE IMPACT	Medium	High	Critical
MODERATE CONSEQUENCE IMPACT	Low	Medium	High
LOW CONSEQUENCE IMPACT	Low	Low	Medium
	LOW LIKELIHOOD	MEDIUM LIKELIHOOD	HIGH LIKELIHOOD

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CONSEQUENCE IDENTIFICATION

Safety – death; injury; illness; inconvenience

Financial – cost of physical assets; cost of fte/pte/Temp/Union/Casual/etc time, salary, benefits; asset life; available budget (taxes received, grants, etc)

Environmental – flora, fauna; snow, rain, draught

Legal – lawsuits; complaints; breaches of legislation/bylaws/policies/regulations; legislative changes; needs

Political – campaign promises; political response to social issues

Human – culture in office; stress; harassment; too much work; wants

Reputational – actual v perceived

CONSEQUENCES - Parks

CONSEQUENCE IMPACT	SPECIFIC CONSEQUENCES
LOW	May cause minor physical harm (ie. scratches, bumps, bruises or an injury not requiring medical attention); is an inconvenience for public use; will impact desirability for less than a week; will require no fencing or small temporary warning structures; will impact less than 10% of the area; will impact a non-traffic part of the area; will cause irritation to flora/fauna; some outdated or unclear policies; some changes in legislation not impacting safety; signage is getting worn or partially obscured
MEDIUM	May cause moderate injury (ie. sprain, strain, breaks, cuts or an injury requiring out patient medical attention); will impact desirability for several weeks; will require temporary fencing & structures; will impact between 10-49% of the area; will impact a moderately trafficked part of the area; may cause temporary loss of flora & fauna - outdated or unclear policies in place; several changes in legislation impacting safety; some safety signage is worn
HIGH	May cause serious injury or death (ie. high falls, dismemberment); will impact desirability for 1 or more months; will require unsightly erections; will impact between 50-100% of the area; will impact a high traffic part of the area; may kill or maim flora & fauna; no policies in place; major changes legislation affecting safety (environmental, OHS, wildlife, gun use, etc); missing critical safety signage

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RISK EXERCISE – GREEN SPACE – CURRENT STATE PARK A

- Environmental legislation is changing on how you can spray for mosquitos - never
- Playground equipment is unstable
- Large homeless population, public space vandalism & used needles
- Park is surrounded by seniors' residences
- New social & political push for senior accessibility
- No trails – just dirt & grass

RISK EXERCISE – PARK A – CURRENT RISK LEVEL

CONSEQUENCE	LIKELIHOOD	CONSEQUENCE IMPACT LEVEL	RISK LEVEL
Safety	HIGH	HIGH	CRITICAL
Financial	LOW	LOW	LOW
Reputational	MEDIUM	MEDIUM	MEDIUM
Legal	LOW	HIGH	MEDIUM
		OVERALL RISK	CRITICAL

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BRIDGING THE GAP BETWEEN SERVICE LEVEL & STRATEGY



Strategy (Vision) can drive end results – or Expertise (Service Level) can drive end results – or it can be a Collaboration of both with a recognition that the way to get to the end result may require some thinking outside of the box - how you deliver the Level of Service is as important as the type of Service you deliver.

GOVERNANCE ROLE

Start with your Principles

- We strive to overcome citizens' barriers to service and participation

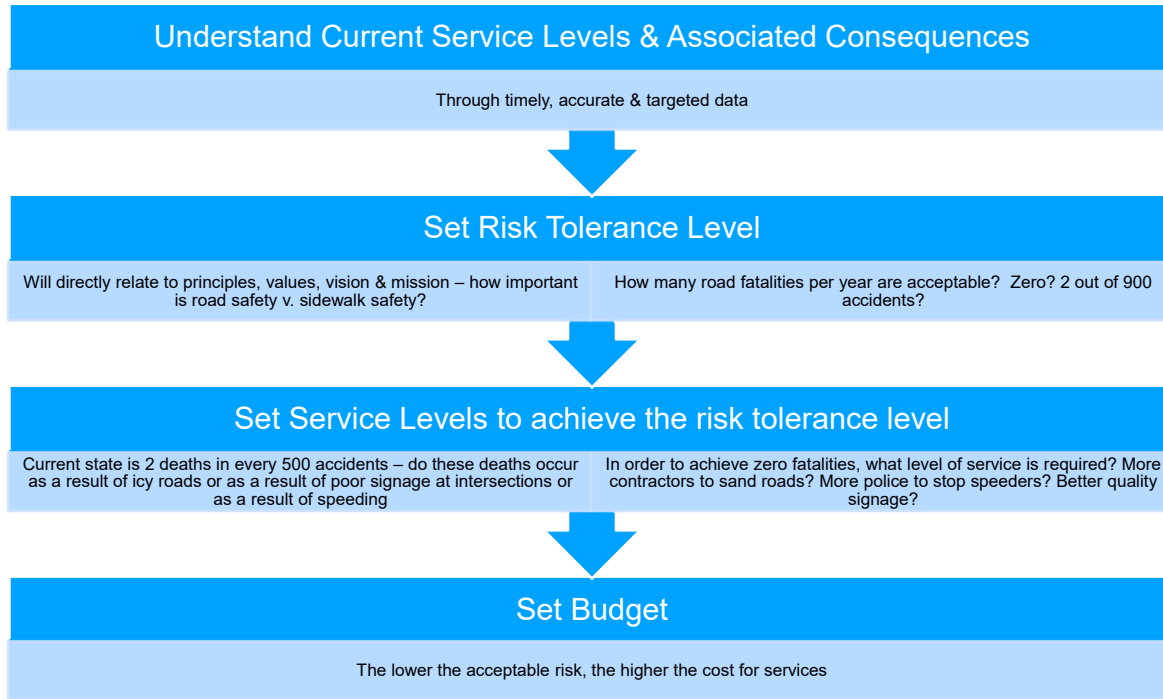
Enshrine your values

- Diversity & Inclusion (Service)

Achieve your Vision & Mission

- Vibrant Community

ROLE OF COUNCIL



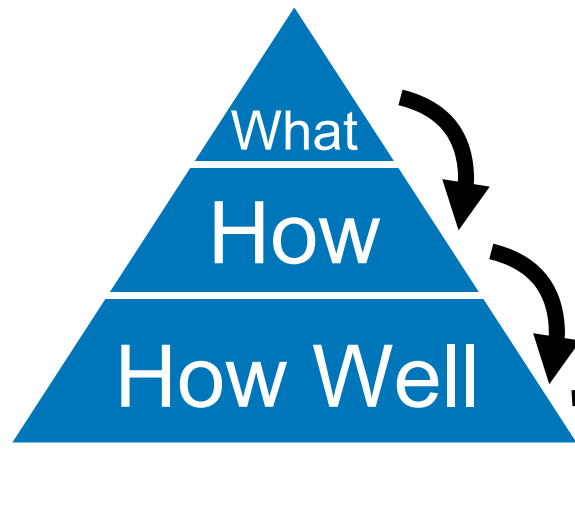
BRIDGING STEPS

- Review Council strategic priorities – ie. The aging community will be active through excellence & diversity in recreational opportunities for seniors
- Review whether your operational priorities align with the strategic priorities
- Determine current indoor & outdoor recreational opportunities for seniors
- Determine current service levels for those facilities/spaces
- Compile current data trends (who uses, when, how often, complaints/safety issues, etc), legislative trends, social & political trends impacting facilities
- Incorporate impact of current Principles, Values, Vision, Mission – accessibility, participation, inclusion, overcoming barriers
- Determine whether your current levels of service, together with data, reflects Council's priorities – do you need to have a greater level of service to meet that priority?

STEPS

- Review Council risk tolerance levels on safety, legal, etc - is Critical an acceptable risk level for Parks?
- Determine how to adjust your level of service to stay within the approved risk tolerance level in order to meet the strategic priority
- Determine the cost of service level adjustment
- Advise Council (provide the data to support current state & the assumptions to support adjustments)
- Request a Decision on any change in Service Level

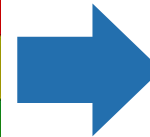
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Risk?

Low	Medium	High
Low	Medium	Medium
Low	Low	Low



Cost!

Thank you!

