

Urban Form Business Transformation - Update 2

Recommendation

That the November 13, 2018, Urban Form and Corporate Strategic Development report CR_6037, be received for information.

Previous Council/Committee Action

At the August 28, 2018 Urban Planning Committee meeting, the following motion was passed:

That Administration consult with industry and provide a report detailing the strategic and resource implications of providing a 30-45 day permit approval "benchmark" for industrial, commercial and larger scale residential development and building permit applications as part of the continuing work.

Executive Summary

The Urban Form Business Transformation Project serves to improve the effectiveness and efficient planning and development services to create a more business friendly environment. Administration recognizes the urgency to transform the way planning and development services are delivered; as a result, this project represents a fundamental shift in how process improvement projects are delivered. In addition, the next six transformation projects, as prioritized with industry partners, are underway and the pace of identifying improvements is being accelerated. Administration is committed to complete Building Better Together by spring of 2019; and, to escalate the deliverables of the more complex transformational projects to late fall of 2019: Rezoning Redesign, Subdivision Process Improvement, Safety Codes Inspection Efficiencies, Customer Oriented Website Enhancement, and the Knowledge Library.

The transformational projects emphasize improvements to the experience of industrial, commercial and large scale residential developers and provide an innovative approach to safety codes inspections. Administration will work side-by-side with industry city-building partners to design new processes with established targets, deliverables, clear application requirements and expectations. These transformation projects are being done in addition to a number of normal operational changes that are already planned in the department.

Report

Background

This report provides an update on progress with the Urban Form Business Transformation Project which also addresses the August 28, 2018 Urban Planning Committee motion.

The Urban Form Business Transformation Project supports efficient and effective planning and development services by focusing on:

1. improved applicant experiences through:
 - increased compliance to timeline targets for application processing,
 - increased consistency of application outcomes, and
 - increased transparency and predictability of application processes.
2. process improvements that reduce rework and delays in applications;
3. improving the sustainability of the funding model and tools such as the Reserve Fund; and
4. improving integration across the relevant City branches and departments to maximize the value of expertise and staff contributions.

City-building partners have been engaged since the launch of the Project (late 2017) and will continue to be consulted throughout the Project to ensure the improvements meet their needs. These partners recognize the value of the improvements, are highly supportive of the Project and endorse the next set of improvements.

The first phase of the Urban Form Business Transformation Project is complete. Administration implemented three process improvements that focused on expanding the Expedited Development Permit Program, re-allocating resources for Safety Code Inspections and releasing Home Improvement Permits online. These changes created efficiencies that allowed City staff to focus on higher complexity applications. This work was presented to the June 19, 2018 Urban Planning Committee as CR_5731 Urban Form Business Transformation Update 1.

The revised reserve policy, a major milestone of the projects' financial stream, has been prepared (Policy C610 Fiscal Policy for the Planning and Development Business) with extensive input from industry, and is recommended for approval.

Approach to Transformational Change

This project represents a fundamental shift to focus on transformational changes to the planning and development services. The shift responds to the need and urgency for changes to meet customer expectations.

In the past, process changes within the department have mainly focused on:

- Ongoing small-scale changes, often limited to one process or section,
- Changes that require limited integration across services,
- Completing changes as a side of desk task for operations staff,
- Changes to respond to staff needs or implement regulatory changes, and
- Limited measurement of change.

The Urban Form Business Transformation project is a change in approach that focuses on:

- Large changes fundamentally shifting how services are provided,
- Solutions integrate across many processes and sections,
- Using a dedicated team focused on implementing process improvement,
- Understanding and responding to customer and staff needs, and
- Managing improvements in a systematic way that includes measuring the impact of changes.

This approach is important to make impactful large changes, and creating a system for future changes where Administration:

- ensures delivery of solutions that positively impact processes,
- collaborates with city-building partners (builders, developers and citizens) and staff,
- uses data and analytics to make evidence-based decisions,
- shifts how services are provided to better align with customer expectations, and
- focuses resources to reflect risks and outcomes.

This managed and systematic approach to transformational change has successfully been used by Administration in previous work. The Engineering Drawing Review project, completed in 2013, applied this approach. In that project city-building partners and staff worked together to determine target timelines and redesign the process to meet the timelines. Since the implementation of this transformation, the timeline target has continually been met, benefiting staff and industry.

Outside of the Urban Form Business Transformation project Administration continues with ongoing process improvement work and implementing process changes resulting from regulatory changes. Examples of additional process improvement work include expanding online self-serve options through the eServices program and refining the process for Final Acceptance Certificates related to landscaping inspections.

Selecting Transformational Process Improvement Projects

Planning and Development Services involves over 190,000 outputs a year and, as a result, a structured approach to determine what to improve next was followed. This involved collaboration between city-building partners and staff that resulted in hundreds of ideas for improvement. Customer journey mapping was completed to identify pain points that fed into the development of the process improvement projects. The ideas were themed and prioritized through established criteria to inform the next set of six major process improvement projects (Attachment 1 - Ideas to Action). The six process improvement projects (Attachment 2 - Process Improvement Projects) are directly based on industry and staff feedback and scaled up to be transformational. The projects have been reviewed and are supported by city-building partners.

The six process improvement projects are underway and represent a major transformation in how planning and development services are delivered. Balancing the value of a managed approach (outlined above) to change, and the urgency to change, two of the project timelines have been accelerated (*Building Better Together*, and *Safety Codes Inspection Efficiencies*). Each project has outputs along the way to their ultimate improvement goal (Attachment 3 - UFBT Moving Forward: Q4 2018) All six projects are to be completed by the end of 2019.

Following 2019, process improvements will continue to happen within planning and development services. City-building partners and staff, with capacity built through the Urban Form Business Transformation, will continue to evolve services and support the building of a vibrant Edmonton.

Transformational Process Improvement Projects

In response to the motion made at the August 28, 2018 Urban Planning Committee, one of these process improvement projects (*Building Better Together*) involves improving the service experience for industrial, commercial and larger scale residential applicants. These customers significantly contribute to increasing the City of Edmonton tax base and enhance business vibrancy. The project takes into account rezoning, plan amendment, subdivision, development permit and building permit applications along with inspections.

Administration has already started work on this project and will pilot components with select applications in 2018 to help inform the overall process. In collaboration with its city-building partners, Administration will have the new process supporting commercial, industrial and large site infill projects fully available to applicants by Q2 2019. The focus is to establish timelines and targets and improve the overall customer experience.

Components of the project include:

- Three client liaison staff who will provide issue resolution services, while informing the new process.
- Establishing a small staff team, using existing resources, that:
 - provides a single point of contact for customers,
 - understands the process and will help guide applications through the various steps,
 - develops a clear and well thought out process that:
 - minimizes handoffs, providing consistency and reducing time spent in transition between services,
 - engages review staff early and often to proactively, creatively and efficiently resolve potential challenges, and
 - clearly defines the type, scale and scope of application that would utilize this process, and
 - works with customers to jointly establish clear and predictable application timelines based on data, process steps, resource implications and scope of applications. A benchmark of 30 to 45 days has been identified in the motion and the implications of meeting this benchmark will be included in the Q1 2019 Urban Form Business Transformation Update report.

The other five process improvement projects include:

1. Project: Safety Codes Inspection Efficiencies

This project builds upon the data analysis completed by the City of Edmonton's Analytics Centre of Excellence as part of the efficient resource allocation for Safety Code Inspections.

The goal of the project is to improve efficiency by reducing the effort spent on Safety Codes Inspections that are non-mandatory and identified by data analysis as low risk. This will allow Administration to re-allocate resources to higher risk inspections. This project will see Administration and city-building partners take a progressive and innovative approach to the use of analytics and its application to support risk-based resource decisions.

2. Project: Rezoning Redesign

This project will update the rezoning process to align with the expectations of city-building partners in how the business of land development and building occurs today. City-building partners and staff will play an active role in designing a new process. Through a shared understanding and focus on the outcome of building Edmonton, the project can achieve the goals of:

- improving consistency, transparency and accountability; and
- establishing clear expectations regarding application requirements, the process and timelines.

3. *Project: Subdivision Process Improvement*

This project increases the efficiency of the subdivision process through:

- improving the process of conditional approval and approving the plan for registration,
- exploring opportunities to incorporate small-scale residential development and building permits with the subdivision process. Blended review can reduce timelines and better utilize resources for both Administration and city-building partners.

The remaining two projects provide customers and staff with the information they need to participate in planning and development services. Collecting relevant information and sharing knowledge are essential to providing customers with a consistent service experience.

4. *Project: Customer Oriented Website Enhancement*

This project focuses on improving the navigation and content of planning and development services topics on the City of Edmonton website (www.edmonton.ca). The goal is to provide clear and easy to use information. Quality online information can aid customers in locating information in a timely manner improving customer satisfaction.

5. *Project: Knowledge Library*

This project provides a single location for documentation needed to provide effective planning and development services to city-building partners. The centralized location improves consistency and integration through access to information. The library, along with the website enhancements, allow customers and staff to access shared materials.

Technology Enhancements - Online Self Serve

Administration continues to expand online self-serve options for planning and development services. By Q1 2019, commercial and industrial permits as well as additional types of home improvement permits will be available online.

Commercial and industrial permits will include online applications with digital plan submission and a modernized review process. The benefits of this improvement include:

- ability to submit applications and manage permit projects online;
- ability for multiple reviewers to access digital plans at the same time;
- transparency of application status for customers and City staff, enhancing accountability;
- improved collaboration between applicants and City staff; and
- reduction of up to 75 percent of paper applications.

Home Improvement Permits will be expanded online to include more permit types such as decks, renovations and additions, and will be available to all Edmontonians.

The online self-serve options will continue to expand in 2019 as more process changes are implemented.

Financial Review - Current Planning Reserve

A major milestone of the Urban Form Business Transformation project Financial Stream is Policy C610 - Fiscal Policy for the Planning and Development Business. The purpose of this policy is to “formalize the fiscal management and operating principles of the Planning and Development Business to ensure long term fiscal sustainability and service stability while enabling growth within the City of Edmonton”.

More information, and a recommendation for approval, is provided in CR_6035 - Revised Business Model and Reserve Policy as presented to Urban Planning Committee on November 13, 2018.

The process improvements are necessary for the long-term financial sustainability of the planning and development business.

Budget/Financial

The Urban Form Business Transformation project is staffed using existing resources and funded through the Current Planning Business Model. As of September 30, 2018 the projected 2018 budget is \$1.24 million. The actual project costs are \$583k with a year-to-date budget of \$1.16 million.

Public Engagement

Engagement with the stakeholders including staff and city-building partners directly informed the selected projects.

The Urban Form Business Transformation project is a standing agenda item at the Business Advisory Committee, a formalized advisory group of industry stakeholders chaired by the Edmonton Chamber of Commerce. This group is made up of representatives from the Urban Development Institute, the Canadian Home Builders' Association, the Building Operators and Managers Association, the Commercial Real Estate Development Association and the Realtors Association of Edmonton. This committee enables the development and building industries to provide direct input to Administration's operations as they pertain to business activities. Administration will continue to engage the Business Advisory Committee and other stakeholders.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Conditions of Success			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Effective and Efficient Service Delivery:	Commercial /Industrial Permits (Building Better Together)	Development Permit = 47 median work days to issue Building Permit = 32 median work days to issue (Q2 2018)	30 to 45 days to be refined based on pilot projects and developed with industry
	Subdivision (Subdivision Process Improvement)	Average Days from Submission to Decision for Major = 174	To be developed with industry
	Rezoning (Rezoning Redesign)	205 calendar days - Average timeline for completed LDAs (2017)	To be developed with industry
	Safety Codes Inspections Efficiencies	Inspection within 5 days of requested inspection date (Source: City of Edmonton Quality Management Plan)	To be developed with industry
	Knowledge Library (Staff engagement)	"I have the materials and equipment I need to to my job effectively" = 75.7% (Source: Sustainable Development, 2016 results)	Increase
	Customer Oriented Website Design	Customer satisfaction - baseline to be measured	Increase

Results reflect current timelines of planning and development services as reported in the Urban Form and Corporate Strategic Development Quarterly Activity Report, Second Quarter 2018 unless noted otherwise.

Attachments

1. Ideas to Action
2. Process Improvement Projects
3. Process Improvement Projects - Urban Form Business Transformation - Moving Forward - Q4 2018

Others Reviewing this Report

- R. Kits / S. Padbury, Acting Deputy City Managers, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement