



STAFF REPORT
ACTION REQUIRED

2011 SEP 15 P 1:44

Toronto Police Service: Assessment of the KPMG Core Service Review Summary and Service Profiles Report

Date: September 15, 2011
To: Executive Committee, City of Toronto
From: Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Executive Committee with the Toronto Police Service's assessment of the KPMG Core Service Review Summary and Service Profiles Report.

RECOMMENDATION

It is recommended that the Executive Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications related to the receipt of this report.

ISSUE BACKGROUND

At its meeting of September 14, 2011, the Toronto Police Services Board ('the Board') was in receipt of a report dated August 29, 2011 regarding the Toronto Police Service's assessment of the KPMG Core Service Review Summary and Service Profiles Report.

COMMENTS

The Board received the foregoing report and agreed to forward a copy to the Executive Committee for information.

CONCLUSION

A copy of Board Minute No. P222/11, in the form attached as Appendix "A" to this report, regarding this matter is provided for information.

CONTACT

Chief of Police William Blair
Toronto Police Service
Telephone No. 416-808-8000
Fax No. 416-808-8002

SIGNATURE


Alok Mukherjee
Chair, Toronto Police Services Board

ATTACHMENT

Appendix A – Board Minute No. P222/11

a: tps- assessment of core service review

Appendix "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON SEPTEMBER 14, 2011

#P222. ASSESSMENT OF THE KPMG CORE SERVICE REVIEW SUMMARY AND SERVICE PROFILES REPORT

The Board was in receipt of the following report August 29, 2011 from Alok Mukherjee, Chair:

Subject: ASSESSMENT OF THE KPMG CORE SERVICE REVIEW SUMMARY AND SERVICE PROFILES REPORT

Recommendation:

It is recommended that the Board forward this report to the City of Toronto Executive Committee for its information.

Financial Implications:

No financial implications arise from the approval of the recommendation in this report.

Background/Purpose:

At its meeting on July 21, 2011 the Board received a report from Joseph Pennachetti, City Manager, City of Toronto. Mr. Pennachetti's report included a copy of the City of Toronto Core Service Review Project conducted by KPMG LLP. This report identified some options and opportunities for the Toronto Police Service. The report did not identify any options and opportunities for the Toronto Police Services Board.

The Board received the report and asked that the Chief of Police provide his assessment of the options/opportunities identified in the Core Service Review report and directed that this assessment be provided to the Board's Budget Sub-Committee (BSC) (Board Minute P172/11 refers).

The Board further directed that, following the Board's BSC review, the Chair submit a report, with any appropriate recommendations, to the Board's September 14, 2011 meeting.

Discussion:

At its meeting on August 16, 2011, the Board's BSC received the Chief's assessment of the options and opportunities for the Toronto Police Service identified by KPMG in their Core Service Review Report. The Chief's assessment is appended to this report in the form of a memorandum, dated August 12, 2011, from Chief Blair to Acting Chair Michael Thompson.

Staff report for action on TPS – Assessment of Core Service Review

The BSC reviewed the assessment and agreed that it should be included on the agenda of the Board's September 14, 2011 meeting with a recommendation that it be forwarded to the City of Toronto Executive Committee for information.

At the August 16, 2011 meeting, the Board's BSC did not reach any conclusions as a result of the Chiefs' assessment. Rather, the information was part of the input on which the BSC's ongoing consideration of the 2012 budget reduction target was based. At this point, therefore, the BSC makes no recommendations to the Board on the Chief's assessment of the KPMG Core Service Review.

I note, however, that the Board has already referred the options/opportunities pertaining to paid duty to the City of Toronto's Transportation Services department, because the Board agrees with the Chief of Police that this properly falls under the City's jurisdiction. With respect to options/opportunities potentially resulting from changes to certain practices that are a part of the collective agreement with the Toronto Police Association, the Chief is correct in stating that these come under the Board's jurisdiction. I will be recommending that the Board give consideration to the feasibility of discussing these options/opportunities with the Toronto Police Association.

Conclusion:

It is recommended that the Board forward this report to the City of Toronto Executive Committee for its information.

The Board approved the foregoing report.



INTERNAL CORRESPONDENCE

TPS 649 1998/011

DATE RECEIVED
Aug 15 2011
TORONTO
POLICE SERVICES BOARD

TO: Councillor Michael Thompson FROM: Wm. S. Blair
Acting Chair Chief of Police
DATE: 2011/08/12
YYYY/MM/DD
RE: KPMG Core Service Review Report Assessment

As requested in your correspondence to me (TPS649, 2011.08.02 – see attached), the following is my assessment of the options/opportunities identified in the Core service Review prepared by KPMG.

The first major initiative in the report (pgs.119 and 122) deals with utilizing a business based approach. The Service agrees with this recommendation and for a number of years has employed a business process based approach. Initiatives such as the IRIS project, TAVIS and e-Disclosure utilize contemporary practices to ensure that the most up to date project methodologies are employed and aspects related to efficiencies are explored. Since December 2005, the CAO has instituted continuous improvement as a philosophy that permeates reviews and projects and ensures that all cost/benefit options are fully explored. I remain open and committed to new ways of improvement and have directed my staff to further explore the approach utilized by the UK to gain and improve upon efficiencies. During the brief Core Service Review meeting held with KPMG there was no discussion related to their proposed approach and I have therefore instructed my staff to begin to explore KPMG's methodology and assess if it has achieved its stated goals.

From the literature search done to date related to KPMG's methodology, it appears that the TPS has conducted similar process reviews and restructuring. Several of the examples cited mirror the changes and improvements undertaken by the Service over the last six years. These include call grading opportunities, constant reviews of deployment methodologies and their application, civilianization of administrative functions and the integration of a methodology to evaluate intelligence information.

The Service's Corporate Planning Unit, OSSG, Project Management Unit, Budgeting & Control Unit and Audit & Quality Assurance Unit also continue to review, evaluate and improve upon operational processes and their related costs. It is not possible to determine with any degree of accuracy, the extent of additional efficiencies through the use of the UK model. More detailed information will have to be gathered and explored through the service efficiency reviews announced last month. The proposed potential savings of up to 20% stated in the Core Services report have not been explained in detail and by KPMG's own admission, are highly ambitious and speculative. Knowing that the Service has already instituted a number of changes and continues to do so through various initiatives, the probability of attaining such a result is, in my opinion, low.

The second major opportunity noted (pgs. 119 & 122) relates to the integration of support services with the City. Efficiencies will be further explored through the service reviews which have begun for both facilities and fleet management. Over the years, several reviews have taken place related to fleet management. The last review was conducted by the Auditor General in September 2008. As a result, I believe that it is unlikely that an additional 20% in potential savings can be realized. In addition, it should be noted that the integration of infrastructure services may result in cost savings to the Service, however, the cost of operations transferred would have to be borne by the City. This would equally apply to by-law, parking enforcement, school guard crossing and lifeguarding, and any of the functions transferred or outsourced.

Options and opportunities related to reducing the size of the service (pg. 123) have already begun with the recent introduction of the voluntary exit initiative to senior officers and the implementation of a leaner management structure. I have deferred all hiring in 2011 and instituted a vigorous process to examine and evaluate the staffing of any position that becomes vacant. The reviews related to the uniform deployment model and civilian establishment are also well underway. I am not recommending a reduction in current staffing levels. We must ensure that human resources are properly aligned to operational requirements and that the protection of the people of the City of Toronto is not put at risk. Potential savings of 20%, when translated into full-time equivalent members, would jeopardize the Service's ability to deliver necessary services. It is in my belief that 20% in potential savings is highly overstated in that even reaching 10% would result in functional reductions. I refer the Board back to my report, *Toronto Police Service Preliminary 2012 Operating Budget - Reduction Impacts* (2011.07.20), tabled and deferred at the Confidential Board meeting on 2011.07.21. This report gives further description of the implications of such reductions.

The last remaining large potential savings opportunity relates to changing elements embedded within the Collective Agreements (pg. 123). No underlying data was presented by KPMG for this item. I am not involved in the collective bargaining process, however, through years of observation, the Toronto Police Services Board has not been successful in obtaining significant concessions. As no meaningful analysis was presented with respect to the determination of potential cost savings, it is not possible to comment on the attainment of potential savings other than to note that within the report, KPMG has listed the barriers to this opportunity as high. I concur with this part of the assessment.

The remaining options and opportunities are not noted as being significant in terms of potential savings. The delivery of joint functions such as call taking and dispatch would not necessarily result in cost savings but rather cost transfers from the Toronto Police Service to the City. It should be noted that call taking and dispatch, along with several other areas, are about to be reviewed by City-selected consultants as part of the Service Efficiency Review process. With respect to paid duty assignments, I wish to note again the Toronto Police Service does not assign officers to construction sites; our role is solely to administer the process and recover our costs.

It is important that the Board be aware of past reviews and projects undertaken by the Service. These initiatives have always had the objectives of better connecting to the public we serve as well as improving on performance in an effective and efficient manner. The following sampling of projects and initiatives attests to the fact that we are constantly striving to improve by applying current techniques and methodologies in achieving internal efficiencies and enhancing our community outreach. Over the past six years we have implemented a strong project management framework for both capital and operational projects enabling completed projects within budget, moved 200 officers from support areas to the front-line in 2005, leveraged provincial and federal funds to enhance our delivery of services in priority areas (e.g., TAVIS, PORF- Police Officer Recruitment Fund), introduced DVAMS (digital video asset management system), E-disclosure, Property Disposition Inquiry, and Social Media, all of which have improved our operational processes. Other police services, including those in North America, the UK and elsewhere often seek our advice on a number of issues, including on how to conduct efficient operations.

I continue to support the service efficiency reviews and reconfirm our commitment to seek out all possible opportunities to improve uncompromising service delivery.

William Blair, O.O.M.,
Chief of Police



INTERNAL CORRESPONDENCE

2011-08-02
S 649/91

Recvd: 2011-08-09

CS // K.K

TO: WILLIAM BLAIR FROM: COUNCILLOR MICHAEL THOMPSON
CHIEF ACTING CHAIR
DATE: 2011/08/02
YYYY/MM/DD

RE: BUDGET SUB-COMMITTEE MEETING - AUGUST 16, 2011 - REPORT REQUIRED

As you know the next meeting of the Budget Sub-Committee meeting has been scheduled for **Tuesday August 16, 2011 at 9:30 AM.**

One item on the agenda is a consideration of your assessment of the options/opportunities identified in the Core Service Review prepared by KPMG. A motion in this regard was approved by the Board at its meeting of July 21, 2011.

As this assessment is to be submitted to the Board's Budget Sub-Committee and discussed on August 16, 2011, I am requesting that it be provided as soon as possible.

Sincerely,

Councillor Michael Thompson
Acting Chair