



Toronto Building Program Review

Final Report

KPMG LLP

—

May 2021





Disclaimer

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Table of contents

1. Executive Summary	4
Barriers to Modernization	5
A New Way of Doing Business	6
Achieving the Vision	9
About this Report	10
Summary of Recommendations	11
Organizational Structure	13
Building Services Streaming Matrix	14
2. Project Background	15
3. Operating Model	21
Vision	22
Organization	24
Process	34
People & Culture	38
Customer	41
Technology	44
Financial Model	45
4. Implementation Plan	48
Appendix A: Current State Challenges	68
Appendix B: Organizational Structure	75
Appendix C: Jurisdictional Research	89



1. Executive Summary



Executive Summary

The Toronto Building Division (Toronto Building or the Division) has a bold ambition to become a modern, client-centric regulator. The Division is critical to Toronto's success and prosperity. Its core services — issuing building permits and inspecting construction — ensure that Toronto's built environment is safe, accessible and sustainable. These services are also vital to achieving many of the City of Toronto's (City) strategic objectives, from affordable housing to economic recovery following the COVID-19 pandemic.

In 2020, despite pandemic-related disruptions, Toronto Building issued more than 35,000 building permits with a total estimated construction value of \$10 billion and completed more than 165,000 inspections.¹ Toronto Building staff are widely recognized for their class-leading technical knowledge, and the Division is a go-to resource for municipal and provincial colleagues on emerging regulatory issues and complex construction challenges.

After more than a decade of record setting development activity, however, significant structural and operational challenges have emerged. Our work indicates that Toronto Building's current operating model is not sustainable. Becoming a modern, client-centric regulator requires a fundamentally new way of doing business.

This Executive Summary has four parts. First, we identify the barriers to modernization. These are the challenges impacting Toronto Building's current operating model. Second, we present a new, client-centric operating model, including outcomes, how it was developed and specific recommendations. Third, we address how to transition to the new model. Finally, fourth, we provide an overview of the structure of this report.

Barriers to Modernization

The challenges facing Toronto Building are complex and interconnected. While they vary in importance and impact, they touch on every aspect of the Division's business, from its culture and approach to customer service to training and technology.

This report identifies 19 key challenges impacting the effectiveness, efficiency and sustainability of the Division's current operating model. An operating model is a framework that describes how an organization structures its staff, services and other resources to achieve its objectives. A summary of these challenges and their impacts is included in Figure 1. Additional challenges are included in Appendix A.

Figure 1: Core Business Challenges

Challenges	Impacts
Record-setting levels of development activity as well as the increasing complexity of construction and regulatory requirements.	Increasing workloads and overtime leading to staff frustration and extended processing timelines.
Inconsistent staff understandings of Toronto Building's regulatory role, responsibilities and requirements.	Contributes to competing divisional cultures, inconsistencies in service delivery and staff and applicant frustration.

¹ Source: Toronto Building.

Executive Summary

Challenges	Impacts
A relatively flat, district-based organizational structure.	Inflexible resource management, inconsistencies in service delivery, limited career development opportunities and operationally rather than strategically focused management.
Underdeveloped back office business functions.	A barrier to implementing modern regulatory approaches, enterprise risk management and quality assurance.
A generally one-size-fits-all approach to work streaming and customers.	Increases workloads, drives applicant frustration and contributes to poor application quality and customer service challenges.
Increasing customer expectations, including the delivery of new, non-traditional services.	Contributes to workload pressures and staff frustration.
Legacy technology and work management systems.	Increases administrative burden on staff and management, reducing staff capacity for higher value work.
Ongoing, long term expenditure and FTE restraint.	Constrains the Division's capacity to use its resources to adjust staffing levels in response to market fluctuations and invest in service delivery improvements.

Many of these challenges were exacerbated by COVID-19, creating obstacles to a timely and coordinated divisional response to the pandemic and highlighting the need for a new operating model.

A New Way of Doing Business

Over the past 18 months, we worked closely with Toronto Building leadership, staff and other stakeholders to design a new, dynamic operating model to help accelerate Toronto Building's modernization journey.

The new operating model includes five pillars:

1. Vision: what Toronto Building will achieve;
2. Organization: how staff are organized;
3. Process: how work is organized;
4. People and Culture: how staff are supported; and,
5. Customer: how clients are engaged and served.

Successfully transitioning to the new model requires three enablers:

Executive Summary

1. Modernized technology systems;
2. A dynamic financial model and,
3. Dedicated implementation and change management support.

Toronto Building's financial model is critical to the successful transformation of the Division into a modern, client-focused regulator. The Program Review included an in-depth review of the Division's cost allocation methodology, financial reporting processes and related policies, which supported the development of the new operating model included in this report.





An overview of the new operating model is included in Figure 2. Additional detail is included in Chapter 3.

Figure 2: Modern, Client-centric Operating Model




Vision: what we'll achieve

We will be a leader in creating a safe, accessible and sustainable city by focusing on customer service, partnership, regulatory excellence and innovation.

Operating Model: how we'll achieve it

 Organization	 Process	 People & Culture	 Customers
<ul style="list-style-type: none"> – Modern business functions – Functional organizational structure – New supervisory positions – Cross functional governance – Council-liaison function 	<ul style="list-style-type: none"> – Applications streamlined by complexity / customer need – Modern regulatory approaches – Dedicated continuous improvement program – Embedded equity and inclusion lens 	<ul style="list-style-type: none"> – Shared divisional culture that fosters engagement and inclusion – Dedicated training and development – Formalized job rotation program – Centralized staff portal for tools and templates 	<ul style="list-style-type: none"> – Dedicated industry education and outreach – Proactive information sharing – Easy-to-use guidelines, templates and solutions

Enablers: the drivers of a successful transformation

 Technology	<ul style="list-style-type: none"> – Innovative service delivery approaches – Replacement of legacy systems – Modern tools & technology
 Financial Model	<ul style="list-style-type: none"> – Financial flexibility & resilience – Rate-based budget model – Modern cost allocation methodology
 Implementation & Change Management	<ul style="list-style-type: none"> – Dedicated resources – Executive-level sponsorship – Effective governance

The new operating model includes significant changes across Toronto Building's business, including:

- A functional, city-wide organizational structure to increase organizational flexibility, resiliency and consistency and facilitate the development of a shared divisional culture;

Executive Summary

- Service delivery models tailored to project complexity and client type to improve the customer experience and increase system capacity;
- New back office functions to enable and support modern regulatory approaches, policy development, business intelligence and enterprise risk management;
- Robust training and development tools to enhance talent attraction and retention, career development opportunities, cross-functional coordination and a shared divisional culture;
- New approaches to enhance workplace diversity, equity and inclusion, reduce service delivery barriers and improve capacity to make equity-based decisions;
- Strong industry and community partnerships to improve customer satisfaction and access, reduce compliance costs and enhance application quality;
- Enhanced partnerships with the Government of Canada, Province of Ontario and partner municipalities across North America to proactively address innovation and legislative change; and,
- A rate-based budget model and modern cost allocation methodology to improve financial flexibility and resilience.

The new model will help Toronto Building become a modern, client-centric building regulator that is:

Outcome	Description
Consistent and predictable	Promotes consistency and standardization across the City as well as predictable experiences and outcomes for applicants and other stakeholders.
Customer-focused	Ensures responsiveness to the needs of industry and the public, enabling the City's growth and development and supports innovative building and construction projects.
Efficient	Enables the timely processing of applications through a clear and transparent process along with supporting tools and technologies.
Collaborative	Encourages teamwork and collaboration across Toronto Building staff teams, other City divisions and externally with applicants, the public and other stakeholders to fulfill the Division's regulatory and city-building roles.
Accountable	Assigns clear roles and responsibilities to internal and external stakeholders and provides clarity about application requirements and expectations.
Flexible and resilient	Allows resources to be allocated where and when they are needed according to fluctuating work volumes, market cycles and external shocks.
Equitable and inclusive	Promotes diversity, equity and inclusion in the workplace and proactively removes barriers to services for equity-seeking communities.

Executive Summary

This report includes specific recommendations to help Toronto Building realize the new operating model and supporting enablers. Our recommendations are grounded in both qualitative and quantitative sources of information, including:

- More than 125 hours of consultation activities engaging more than 500 internal and external stakeholders;
- A comprehensive review of more than 100 Toronto Building documents, including policies procedures and reports;
- Data analysis including 450,000 applications over a nine-year period;
- A detailed review of Toronto Building's cost allocation methodology;²
- Leading practice research of more than 10 jurisdictions in Canada, the United States and Australia; and,
- A co-design process engaging more than 100 Toronto building staff at all levels to develop, test and refine the new operating model described in this report.

A summary of our specific recommendations is included in Figure 3 on Page 11. This Executive Summary also includes summary versions of the new functional organizational structure and building services streaming matrix – foundational elements of the new operating model – in Figures 4 and 5 on Pages 13 and 14, respectively.

Achieving the Vision

COVID-19 has created a window of opportunity for Toronto Building to begin implementing the new operating model and help accelerate the City's recovery from the pandemic. It is a complex, challenging transformation. Success will require:

- Executive-level sponsorship to provide clear direction, remove obstacles and maintain buy-in from City Council, other City divisions and key stakeholders;
- A senior-level dedicated project lead accountable for day-to-day implementation activities for a period of at least 18 months;
- Dedicated resources to support the project lead with the capabilities required to manage a complex, large-scale transformation program;
- Alignment with the Concept 2 Keys (C2K) Program, the Customer Experience Program (CXi) and other City-wide transformation programs — and, where relevant, integration;
- Collaboration and engagement with industry, City partners, the Province of Ontario, North American peer municipalities, residents' associations, members of the public and other important stakeholder groups;
- Investments in modern technology systems and other service delivery improvements to enable transformation;
- Regular reporting against a well-defined workplan to build momentum and mitigate risks;
- Clear, effective and regular communications with internal and external stakeholders; and,

² The Program Review's scope did not include a review or assessment of building permit or other fees.



Executive Summary

— A sustained focus on leveraging the transformation to support the Division's commitment to diversity, equity and inclusion.

Chapter 4 includes detailed implementation actions for each of our recommendations and a supporting implementation structure.

About this Report

The City engaged KPMG LLP (KPMG) in October 2019 to conduct a comprehensive Program Review of Toronto Building.

This report summarizes our work. It is a roadmap for change built on engagement with Toronto Building leadership, staff, applicants, the public and industry partners.



There are four chapters, beginning with this Executive Summary. Our approach and work plan are included in Chapter 2. Chapter 3 presents our detailed recommendations, and Chapter 4 presents a prioritized list of implementation actions for each of our recommendations.

The appendices contain supporting material. Appendix A presents the challenges related to Toronto Building's current operating model. These challenges were included in our Interim Report. Appendix B presents additional material related to Toronto Building's future state organizational structure. Appendix C presents leading practices for building regulators identified through our jurisdictional research.




Recommendations

Figure 3 presents a summary of our recommendations. Our detailed recommendations are included in Chapter 3.

Figure 3: Recommendations

Layer	Recommendations
1. Vision	<p>1.1 Adopt a new vision to promote a shared, customer-focused culture and a common understanding of the Division's purpose and priorities.</p>
 <p>2. Organization</p>	<p>2.1 Establish new back office business support functions to improve performance, enable modern regulatory approaches and support innovation in design and construction.</p> <p>2.2 Adopt a functional organizational structure to improve flexibility, resilience and consistency.</p> <p>2.3 Implement a new divisional governance structure to enable cross-functional collaboration and strengthen equity-based decision-making.</p> <p>2.4 Establish a Council liaison function to address the building services-related needs of City Councillors and their constituents.</p> <p>2.5 Create new supervisory positions to enhance management capacity and staff career development opportunities.</p>
 <p>3. Process</p>	<p>3.1 Align service delivery models with application complexity and customer type to improve customer service, application quality and overall performance.</p> <p>3.2 Adopt modern regulatory approaches to expedite service delivery, build trust with industry and focus resources on the highest impact activities.</p> <p>3.3 Review and implement outstanding business process improvement opportunities and establish a formal continuous improvement program.</p>
 <p>4. People & Culture</p>	<p>4.1 Clearly articulate and communicate Toronto Building's regulatory role and responsibilities to facilitate the development of a shared divisional culture.</p> <p>4.2 Invest in a dedicated staff training and development program to improve consistency, staff retention and a shared understanding of Toronto Building's regulatory mandate.</p> <p>4.3 Establish a formal job rotation program to increase cross-functional coordination and staff development opportunities.</p> <p>4.4 Improve consistency, training and onboarding by creating a centralized, easy-to-use staff portal.</p>

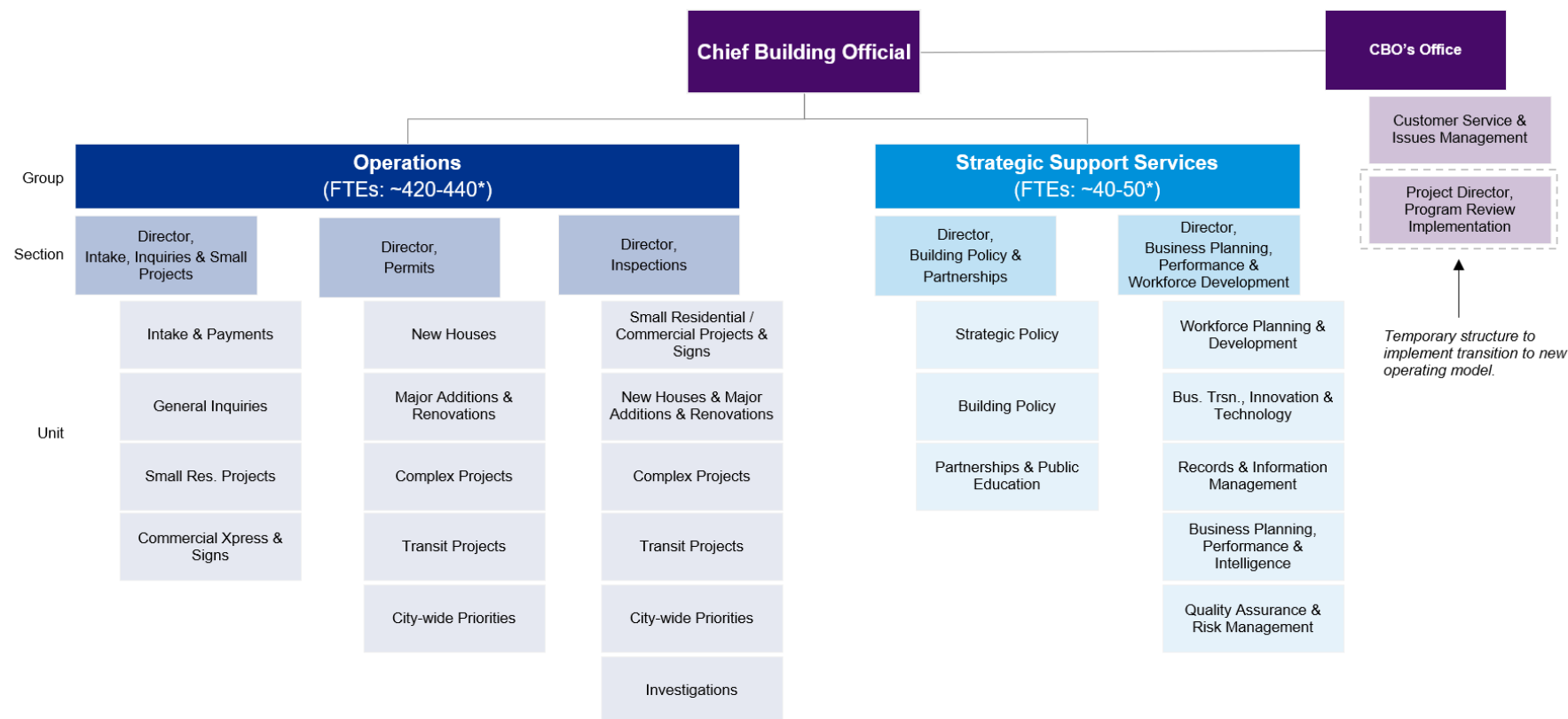
Recommendations

Layer	Recommendation
 5. Customer	<p>5.1 Improve customer satisfaction and application quality through a formalized industry education program.</p> <p>5.2 Create a formal City-industry advisory committee (or committees) to build trust, foster collaboration and address common issues.</p> <p>5.3 Develop new customer-facing tools to reduce compliance costs and improve transparency, consistency and application quality.</p>
 6. Technology	<p>6.1 Accelerate the modernization of Toronto Building's workflow management system.</p> <p>6.2 Address staff technology needs to improve performance and reduce staff frustration.</p>
 7. Financial Model	<p>7.1 Explore shifting to the rate-based budget process to improve operational flexibility and resilience.</p> <p>7.2 Implement a leading practice cost allocation methodology to improve transparency and support enhanced performance management.</p> <p>7.3 Formally document the basis for corporate charges to improve transparency and support the Division's financial reporting processes.</p>

Organizational Structure

Figure 4 presents the new functional organizational structure. The new structure is designed to help improve organizational flexibility, consistency in service delivery and drive a shared divisional culture that fosters engagement and inclusion. Detailed information about the new structure, including more detailed mandates and functions for each area, is presented in Recommendation 2.2. This is a draft organizational structure that will require detailed design during implementation.

Figure 4: Organizational Structure









*FTEs are approximations meant to show the relative size of the Operations and Strategic Support Services Sections.

Building Services Streaming Matrix

Figure 5 presents a high-level building services streaming matrix. It is designed to improve the customer experience, accelerate service speeds and increase staff development opportunities by aligning service delivery models to project complexity and customer need. Detailed information about the new matrix is included in Recommendation 3.1.

Figure 5: Building Services Streaming Matrix

						
	Small Residential Projects	Commercial Xpress	New Homes	Additions & Renovations	Complex Projects	Strategic City-wide Priorities
Overview	Small residential projects typically undertaken by homeowners.	Small commercial, industrial and retail projects, interior alterations and signs.	New single family homes.	Minor additions and alterations, including residential and commercial.	Large, complex projects and major additions and alterations, including residential and commercial.	Projects that support the City's strategic objectives.
Customer Types	<ul style="list-style-type: none"> Building Code Identification Number (BCIN) qualified applicants Inexperienced or one-time applicants 	<ul style="list-style-type: none"> Experienced/new professionals Builders and renovators 	<ul style="list-style-type: none"> Experienced/new professionals Builders and renovators 	<ul style="list-style-type: none"> Experienced/new professionals Builders and renovators 	<ul style="list-style-type: none"> Experienced professionals Large consultant teams 	<ul style="list-style-type: none"> Experienced professionals City of Toronto partners (Divisions & ABCs)
Example Applications	<ul style="list-style-type: none"> Decks, sheds, porches Garages and carports Minor additions and interior alterations 	<ul style="list-style-type: none"> Interior alterations Sign permits Tents Minor fire damage repair 	<ul style="list-style-type: none"> Part 9 Projects New houses 	<ul style="list-style-type: none"> Part 9 Projects Minor Part 3 Projects 	<ul style="list-style-type: none"> Major Part 3 Projects High-rise, mid-rise and mixed-use Tall wood structures 	<ul style="list-style-type: none"> Modular Housing Program Housing Now Initiative Transit projects Toronto Green Standard
Service Delivery Model	<ul style="list-style-type: none"> Customer service tailored to BCIN applicants or inexperienced applicants (e.g., additional guidance and direction) Express service Bundled approvals 	<ul style="list-style-type: none"> Customer service tailored to professionals Express service Bundled approvals 	<ul style="list-style-type: none"> Customer service tailored to professionals Bundled approvals 	<ul style="list-style-type: none"> Customer service tailored to professionals Bundled approvals 	<ul style="list-style-type: none"> Pre-consultation Milestone meetings Single point of contact to manage project across building permit and inspection lifecycle Senior staff 	<ul style="list-style-type: none"> Pre-consultation Milestone meetings Single point of contact to manage project across building permit and inspection lifecycle Senior staff
	<div> <div>LESS</div> <div>COMPLEXITY</div> <div>MORE</div> </div>					

2. Project Background



Project Background

The City retained KPMG to conduct a comprehensive Program Review of Toronto Building in October 2019. Our engagement team included Rubes Code Consultants, which provided subject matter advice on current industry practice, the *Building Code Act, 1992* and the *Ontario Building Code*.

The Program Review had two interconnected parts: a comprehensive assessment of Toronto Building's operating model and an in-depth review of the Division's cost allocation methodology, financial reporting processes and related policies. This report summarizes our work related to Toronto Building's operating model. Our review of the Division's cost allocation methodology, financial reporting processes and related policies was a critical input into the development of the new operating model included in this report.

Toronto Building's Chief Building Official and Executive Director (CBO) sponsored the Program Review with strategic direction provided by an executive-level, interdivisional steering committee. A senior-level Toronto Building Project Team provided guidance around key milestones and deliverables, and a Program Manager located in the CBO's office provided day-to-day direction and support.

Objectives & Scope

The objective of the Program Review was to develop a new client-centric operating model to:

- Refresh, refocus and reenergize the Division;
- Increase organizational effectiveness and resilience;
- Improve client satisfaction; and,
- Enhance staff engagement and retention.

Our scope of review was wide and included all aspects of Toronto Building's operating model, including: organizational structure, governance, regulatory model, services and processes, people, culture, technology and the use of data and information. Our scope also included the Division's broader role in the City and interactions with other divisions and external partners, including the Province of Ontario, industry associations and residents' associations, among others.

Assessment Framework

Our assessment framework for the Program Review is included in Figure 6.

Figure 6: Program Review Assessment Framework



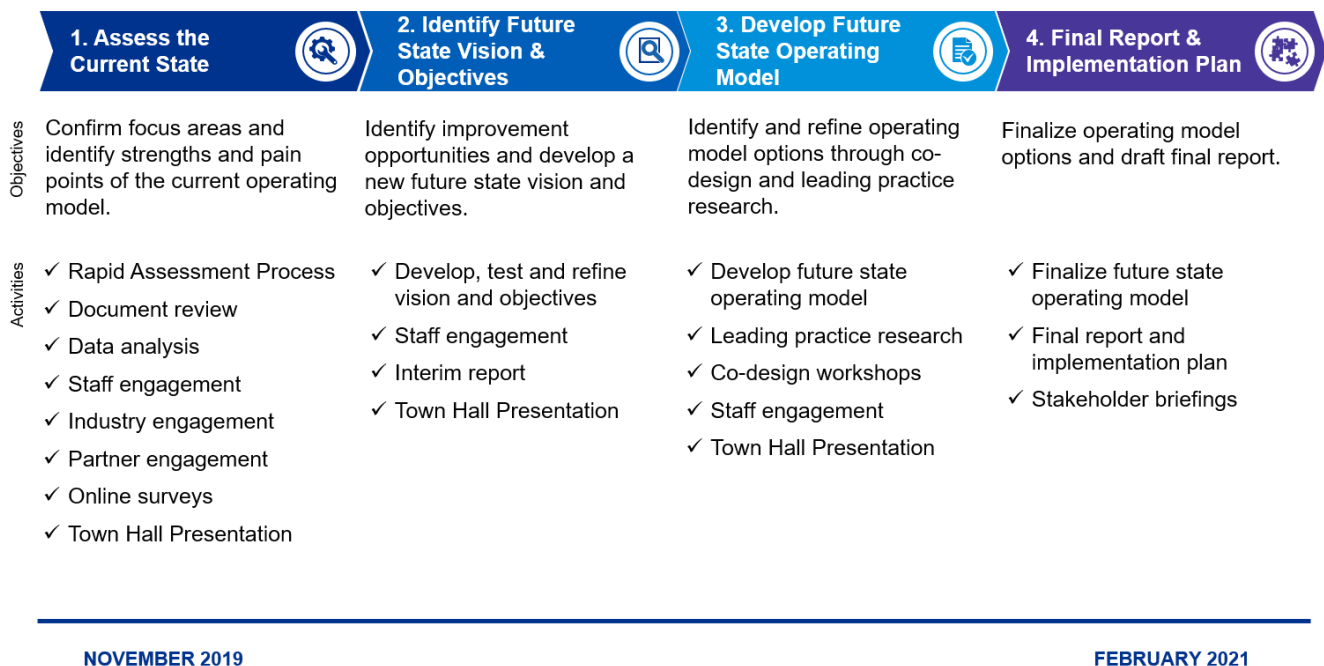
Project Background

We used our assessment framework to support the identification of strengths, challenges and improvement opportunities as well as the development of the new operating model included in this report.

Work Plan

Our work took place between November 2019 and February 2021. The impacts of COVID-19 required significant adjustments to our work plan, which were made in consultation with Toronto Building. The work plan described below reflects these changes. While many of the elements and phases of our work plan were overlapping and iterative, in this section we present our work plan chronologically for ease of reference.

Figure 7: Program Review Work Plan



Phase 1: Assess the Current State

During the first phase, we built a robust evidence base to identify strengths, challenges and improvement opportunities related to Toronto Building's current operating model. Our activities during this phase included: a document review, data analysis, a rapid assessment process and stakeholder engagement. We also presented the Program Review's objectives, scope and work plan at a Town Hall in November 2019 to help launch the work.

We conducted an in-depth review of more than 100 documents provided by Toronto Building, including organizational charts, previous operational reviews, client satisfaction surveys, metrics, strategic plans and financial documents. Additional documents were identified by Toronto Building and other stakeholders and reviewed throughout the course of our work. We also conducted an analysis of data provided by Toronto Building. The data covered a nine-year period from 2010 to 2019 and included information on more than 450,000 building permit applications as well as inspections, fees and staffing levels.

Project Background

Our rapid assessment process consisted of 12 one-on-one interviews with Toronto Building's leadership team and a workshop with Toronto Building's Innovation Team. The findings from our rapid assessment processes were presented to Toronto Building's Divisional Management Team (DMT) and used to help focus our subsequent stakeholder engagement activities.

We worked with the Project Team to develop a stakeholder engagement strategy identifying stakeholder groups, engagement tactics and sequencing. During this phase we engaged more than 530 internal and external stakeholders, including:

- Two manager workshops engaging 24 staff;
- Seven staff workshops engaging more than 85 staff from each operational district, Business Operations and the Sign Unit.
- Eight one-on-one interviews with leaders from other City divisions;
- Four one-on-one interviews with Planning & Housing Committee members;
- Five industry roundtables with more than 50 participants, including developers, renovators, architects and engineers;
- Two one-on-one interviews with professional associations; and,
- Two one-on-one interviews with representatives from the Ministry of Municipal Affairs and Housing.

Our engagement activities were guided by interview and workshop guides that included background information about the Program Review. We followed a semi-structured approach that included discussion questions but allowed participants to identify new themes and issues.

We also conducted three client surveys during this phase of work to gather feedback from one-time applicants, residents' associations and industry representatives. We received 364 responses across the three surveys. The Building Industry and Land Development Association helped promote the industry survey, including direct emails to its local members.

Phase 2: Identify Future State Vision & Objectives

During the second phase, we developed a future state vision and objectives to guide the development of the future state operating model.

We developed the future state vision and objectives through engagement with Toronto Building staff. This work occurred in summer 2020 and we used the opportunity to gather information about Toronto Building's response to the COVID-19 pandemic, which contributed to our understanding of current state strengths, challenges and opportunities.

During this phase we engaged more than 190 Toronto Building staff, including:

- Eight one-on-one interviews with Toronto Building's leadership team;
- Three manager focus groups engaging 25 managers; and,
- Two focus groups with the staff-level Program Review Engagement Team;

We presented the draft vision and objectives at a divisional Town Hall. Following the Town Hall, we conducted a survey to gather feedback on the vision and objectives from staff and received more than 145 responses.

Project Background

We then summarized our work to date in an Interim Report that included the future state vision and objectives, 19 current state challenges and a long list of 23 improvement opportunities to test and refine during our next phase of work. The Interim Report was also presented at a divisional Town Hall in fall 2020.

Phase 3: Develop Future State Operating Model

During this phase, we conducted jurisdictional research and co-design activities to develop Toronto Building's future state operating model.

The purpose of our jurisdictional research was to gather leading practices to inform the development of the new operating model. Working closely with the Project Team, we identified 11 comparable jurisdictions:

1. Ottawa
2. Hamilton
3. Mississauga
4. Calgary
5. Edmonton
6. Vancouver
7. Chicago
8. Seattle
9. Los Angeles
10. New York City
11. Victoria, Australia

Our approach included a combination of desktop research and one-on-one interviews. Additional information about our jurisdictional research is included in Appendix C.

We conducted five co-design workshops with DMT to develop Toronto Building's future state operating model. Each workshop was approximately two hours in length and incorporated the improvement opportunities identified in our interim report as well as leading practices from our jurisdictional research. The workshops focused on three overarching themes:

1. Building a resilient organizational structure;
2. Toronto Building's regulatory role and responsibilities; and,
3. Encouraging effective industry partnerships.

Alongside the co-design workshops, we conducted additional stakeholder engagement activities to test and refine the operating model developed through the co-design sessions. During this phase we engaged approximately 100 Toronto Building staff, including:

- Three improvement opportunity workshops for managers engaging 25 staff;
- One improvement opportunity workshop Toronto Building's Innovation Team; and,
- Five improvement opportunity workshops for staff engaging approximately 65 staff from each operational district, Business Operations and the Sign Unit.



Project Background

Each workshop was approximately 1.5 hours in length and focused on key elements of Toronto Building's new operating model, including: organizational structure, work streaming, staff development opportunities and modern regulatory approaches. We presented an overview of the new operating model and associated opportunities at a divisional Town Hall prior to the engagement sessions.

Phase 4: Final Report & Implementation Plan

During the fourth and final phase, we synthesized our work into the recommendations and implementation plan included in this report. Drafts of this report were shared with the City's Project Manager and Project Team in March and April 2021. Edits were received and incorporated into this report. We also conducted various stakeholder briefings related to the final report.

This final report includes four chapters:

1. An executive summary;
2. Detailed project background, including our objectives, scope and approach;
3. Toronto Building's new client-centric operating model presented through 22 recommendations; and,
4. A detailed implementation plan with actions for each of our 22 recommendations.

This report also includes three appendices:

1. The challenges impacting Toronto Building's current operating model;
2. High-level manager structures to support the new functional organizational structure outlined in Recommendation 2.2; and,
3. A summary of our jurisdictional research, including five success factors for building regulators.

3. Operating Model



Operating Model

This Chapter presents a new client-centric operating model and supporting enablers to help accelerate Toronto Building's modernization. An overview of the new model is presented in Figure 2 on Page 7.

The model and supporting enablers are presented through recommendations organized into seven sections:

- The five pillars of Toronto Building's new operating model: vision, organization, process, people and culture and customer (Sections 1-5); and,
- Two enablers to help transition to the new operating model: modernized technology systems and a dynamic financial model (Sections 6-7).

A third enabler, implementation and change management, is included in Chapter 4.

The recommendations in this Chapter are grounded in both qualitative and quantitative sources of information, including:

1. More than 125 hours of stakeholder engagement activities engaging more than 500 internal and external stakeholders;
2. A comprehensive review of more than 100 Toronto Building-related documents, including organizational charts, previous operational reviews, client satisfaction surveys, metrics, strategic plans, equity impact assessments and financial documents;
3. In-depth data analysis covering a nine-year period from 2010 to 2019 and including information on more than 450,000 building permit applications as well as inspections, fees and staffing levels.
4. A detailed analysis of Toronto Building's cost allocation methodology, financial reporting practices and reserve funding approach;
5. A review of leading practices from 11 comparable jurisdictions in Canada, the United States and Australia;
6. Five co-design workshops with Toronto Building's leadership team to develop operating model options; and,
7. Nine opportunity improvement workshops with more than 100 Toronto Building staff to test and refine improvement opportunities.

Additional information about our approach is included in Chapter 2.

Pillar 1. Vision

This section presents our recommendation related to the vision pillar of Toronto Building's new operating model.

1. Vision

- 1.1 Adopt a new vision to promote a shared, customer-focused culture and a common understanding of the Division's purpose and priorities.

1.1 Adopt a new vision to promote a shared, customer-focused culture and a common understanding of the Division's purpose and priorities.

A vision statement is a leading practice used by complex organizations to align internal and external stakeholders around a shared organizational culture. Vision statements provide leadership, staff,

Operating Model

customers and other partners with a common understanding of organizational purpose and support priority setting, business planning and decision-making.

Our research indicates that Toronto Building staff do not have a shared understanding of the Division's culture, purpose, priorities or regulatory roles and responsibilities.

During our stakeholder engagement activities, most Toronto Building staff struggled to articulate the Division's current vision statement.³ Staff perspectives on the Division's purpose and priorities ranged from a narrow focus centred on ensuring compliance with the *Building Code* to a wider focus that includes industry partnerships and driving strategic city-building objectives, like economic development and sustainability. This misalignment contributes to inconsistencies in service delivery as well as applicant and staff frustration.

We recommend Toronto Building adopt the refreshed vision statement included in Figure 8 that was developed through the Program Review. It is based on engagement with more than 190 Toronto Building staff at all levels, including representatives from every district and functional area.

Figure 8: Toronto Building Vision

We will be a leader in creating a safe, accessible and sustainable city by focusing on customer service, partnership, regulatory excellence and innovation.

Leadership is an ambitious goal to set a new standard for building regulators in large, fast-growing cities.

A safe, accessible and sustainable city emphasizes the Division's evolving regulatory mandate and its role supporting broader city-building objectives.

Customer service signals a commitment to a new customer-focused culture.

Fulfilling the Division's regulatory and city-building roles requires durable **partnerships** with industry, City partners, the public and other stakeholders.

Regulatory excellence recognizes Toronto Building's leading technical knowledge and Building Code expertise.

Innovation signals a commitment to adopt and continuously improve modern approaches to compliance, enforcement and service delivery.

The benefits of the proposed vision include:

- Sets an ambitious goal to become Canada's leading building regulator;
- Recommits to a new, customer-focused culture grounded in partnership, regulatory excellence and innovation; and,

³ Toronto Building's current vision statement: "To deliver the highest quality public service that secures compliance with building regulations and bylaws, while working cooperatively with the public, designers, and the building industry to create a safe, healthy, sustainable, and accessible built environment."

Operating Model

— Recognizes the Division's evolving regulatory mandate and critical role in delivering the City's strategic objectives.

2. Organization

This section presents our recommendations related to the organization pillar of Toronto Building's new operating model. This pillar describes the Division's organizational structure, including reporting relationships, business functions and the roles and responsibilities of staff.

 <p>2. Organization</p>	<p>2.1 Establish new back office business support functions to improve performance, enable modern regulatory approaches and support innovation in design and construction.</p> <p>2.2 Adopt a functional organizational structure to improve flexibility, resilience and consistency.</p> <p>2.3 Implement a new divisional governance structure to enable cross-functional collaboration and strengthen equity-based decision-making.</p> <p>2.4 Establish a Council liaison function to address the building services-related needs of City Councillors and their constituents.</p> <p>2.5 Create new supervisory positions to enhance management capacity and staff career development opportunities.</p>
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2.1 *Establish new back office business support functions to improve performance, enable modern regulatory approaches and support innovation in design and construction.*

Toronto Building should establish new back office business support functions to improve performance and enable modern regulatory approaches.

A summary of the recommended functions is included in Figure 9. These functions were identified through our jurisdictional research and co-design process. In many cases, they build on or formalize existing activities. The definitions were developed with reference to standard business process models and KPMG leading practice.

Figure 9: Recommended Business Functions

Function	Description	Example Activities
Strategic Planning	Identifying Toronto Building's long-term objectives as well as developing, implementing and evaluating business strategies to achieve those objectives.	<ul style="list-style-type: none"> — Developing and monitoring the Division's five year strategic / service plan. — Developing and monitoring the Division's annual work plan.
Building Policy	Strategic and operational policy related to Toronto Building's services, including the development of principles, plans, rules and standards to guide the planning and delivery of building services.	<ul style="list-style-type: none"> — Leading the Division's response to provincial consultations on the modernization of Building Code services.

Operating Model

Function	Description	Example Activities
		<ul style="list-style-type: none"> — Policy development to support interdivisional priorities (e.g., laneway housing and Residential Infill Strategy). — Developing standard interpretations, guidelines and bulletins related to the Building Code, zoning bylaw and other bylaws administered by Toronto Building. — Developing generic alternative solutions that can be applied City-wide to facilitate and support city building. — Lead report writing for Standing Committees and City Council. — Sign policy
Knowledge Management	Collecting, distributing and managing operational information critical to the delivery of Toronto Building's services.	<ul style="list-style-type: none"> — Maintaining a centralized, accessible database of divisional policies and Building Code interpretations and guidelines. — Training staff on how to prepare, organize, use and store the Division's intellectual property.
Business Intelligence	Analyzing and presenting data to guide service delivery, planning and management.	<ul style="list-style-type: none"> — KPI reporting, including trend analysis and management dashboards. — Data analysis to support strategic planning, policy development, quality assurance and risk management.
Quality Assurance & Risk Management	Developing, managing and implementing frameworks, procedures and standards to promote consistent, high quality service delivery and mitigate operational and other risks.	<ul style="list-style-type: none"> — Managing compliance processes to ensure permitting, inspection and other services and processes meet regulatory and divisional requirements. — Monitoring and reporting on the implementation of recommendations from Auditor

Operating Model

Function	Description	Example Activities
		General and internal audit reports and similar reviews.
Communications	Developing and delivering information to internal and external stakeholders about Toronto Building and its services.	<ul style="list-style-type: none"> — Publishing Building Blocks. — Developing clear and effective communication tools (e.g., step-by-step guides, web portals, newsletters, etc.) to guide applicants and staff through policy and other changes. — Supporting and coordinating media responses.

Several of these support functions exist in some form today; however, our research consistently found that they are underdeveloped and under-resourced given the complexity of Toronto Building’s mandate and compared to similarly sized organizations and other City divisions. Toronto Building staff indicated that they are typically structured informally as “side of the desk” activities without dedicated resources or well-defined mandates. In many cases, they are also heavily reliant on the institutional knowledge and experience of individual staff, a significant risk given staff turnover and an increase in expected retirements.

Taken together, the business support functions identified in Figure 9 will help accelerate Toronto Building’s modernization by increasing its capacity to:

- Proactively contribute to legislative, regulatory and policy change;
- Leverage data and analytics to support service delivery and modern regulatory approaches;
- Lead and support the delivery of the City’s strategic objectives (e.g., affordable housing, sustainability and economic growth);
- Build strong and effective partnerships with industry, industry associations, the Government of Canada, the Province of Ontario, residents’ associations and other partners;
- Ensure consistent, customer-focused high-quality service delivery;
- Improve staff onboarding, training and career development opportunities; and,
- Identify and mitigate operational, business, regulatory, legal, financial and other risks.

This recommendation should be read alongside Recommendation 2.2, which identifies how these and other business support functions should be organized to support service delivery and the Division’s modernization.

2.2 *Adopt a functional organizational structure to improve flexibility, resilience and consistency.*

Toronto Building is organized geographically. There are four operational districts aligned to the boundaries of Toronto’s four Community Councils. There is also a centralized business support section



Operating Model

and two centralized operational units for signs and enforcement. Each operational district is sub-organized into three functional sections (customer service, plan review and inspections).

A primary finding from the Program Review is that the current district-based organizational structure is a significant barrier to modernization. The challenges related to the geographic structure include ineffective resource management, inconsistent service delivery and the promotion of distinct, district-based cultures.

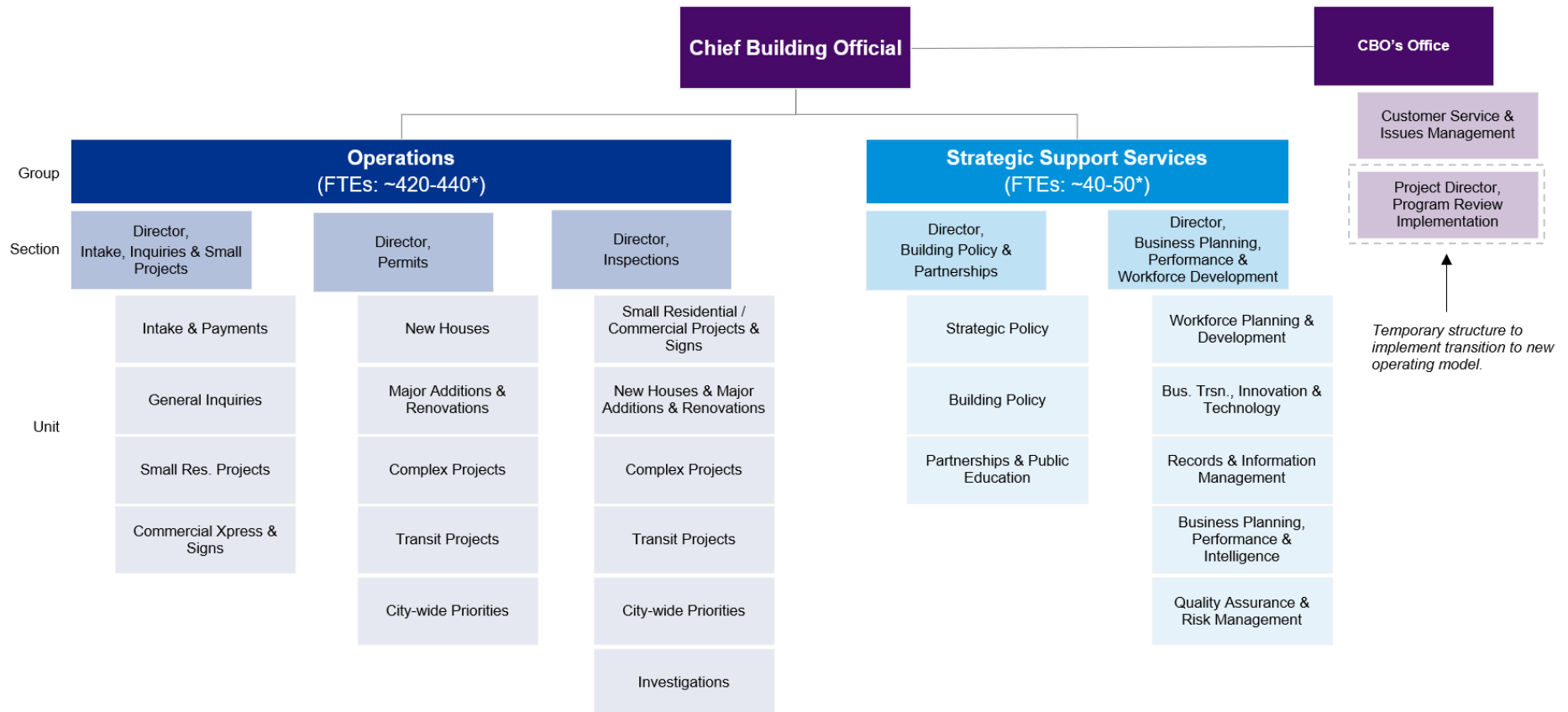
To address these challenges, Toronto Building should adopt the functional organizational structure identified at Figure 10 on the next page that was developed through the Program Review.

The proposed organizational structure was developed through our co-design process and refined through workshops with managers and staff in each section. The key features of the new functional structure are:

- A clear delineation between customer-facing operational functions and internal business support functions into two distinct groups: i) Operations and ii) Strategic Support Services;
- Five new sections organized on a functional, City-wide basis, each led by a Director;
- Integration of a customer-focused building services streaming matrix (described further in Recommendation 3.1) into the organization of operational functions at the unit level (i.e., units structured by building services stream like New Houses and Complex Projects);
- Integration of new business support functions identified in Recommendation 2.1;
- Integration of Sign Unit staff into permitting, inspection and back office functions; and,
- An expanded CBO's Office to facilitate issues management, support Council-related activities and lead the implementation of the recommendations from the Program Review.

Operating Model

Figure 10: New Functional Organizational Structure



*FTEs are approximations meant to show the relative size of the Operations and Strategic Support Services Sections.

Operating Model

The mandates and functions of each section are included at Figure 11. Additional information about the organization of the functions within each section is included in Appendix B.

Figure 11: Mandates & Functions of Sections

Section	Mandate	Functions
Intake, Inquiries & Small Projects	Manage application intake and payments, answer general inquiries and lead the delivery of permits for small residential projects and commercial projects.	<ul style="list-style-type: none"> — Application intake (Toronto Building, City Planning, Committee of Adjustment) — General inquiries — Payments — Small residential projects — Commercial Xpress — Sign permits
Permits	Lead and deliver permitting and zoning services. ⁴ This section would also manage projects designated as City-wide strategic priorities.	<ul style="list-style-type: none"> — Permit review (zoning, code and other applicable law) — Zoning services (development applications, zoning certificates)
Inspections	Lead and deliver all inspections and investigation services.	<ul style="list-style-type: none"> — Building, mechanical and plumbing inspections — Investigations — Dedicated enforcement — Sign inspections — Sign investigations
Building Policy & Partnerships	Lead the development of all strategic and operational policy initiatives. This section would also lead industry outreach and customer-facing educational activities.	<ul style="list-style-type: none"> — Strategic policy — Interdivisional initiatives — Staff reports — Partnerships with industry, the Government of Canada, the Province of Ontario, residents' associations, equity-seeking groups and North American peer cities — Building policy — Sign policy — Sign variances

⁴ For all project types save Small Residential Projects and Commercial Xpress, which are included in the Intake, Inquiries & Small Projects Section.

Operating Model

Section	Mandate	Functions
		<ul style="list-style-type: none"> — Knowledge management — Alternative solutions — Public / industry education — Divisional governance (Teams etc.)
Business Planning, Performance & Workforce Development	Manage business support services, including talent management, equity, diversity and inclusion programs, training, technology, business intelligence and financial operations.	<ul style="list-style-type: none"> — Strategic planning — Talent management / HR — Training — Business & financial operations — Third-party sign tax — Technology — Records & information management — Business planning and intelligence — Performance management (KPIs) — Business transformation & innovation — Quality assurance & risk management
CBO's Office	<p>Support the CBO by managing time-sensitive and strategic issues, including media relations and Council / Councillor issues.</p> <p>Lead the implementation of the Program Review.</p>	<ul style="list-style-type: none"> — Issues management — Media relations — Council liaison — Communications (internal and external) — Program Review implementation (temporary function)

The new organizational structure will require detailed design and development through implementation. Specific next steps to finalize the proposed organizational structure are included in Chapter 4.

The benefits of the proposed functional organizational structure include:

- Enhanced flexibility to allocate staff and resources to respond to fluctuating work volumes, market cycles and external shocks (e.g., the service disruptions associated with COVID-19);
- Improved consistency of services and processes across and within functions as well as opportunities for staff specialization;
- Increased capacity to meet the needs of specific customer groups (e.g., one-time applicants, industry veterans, etc.); and,

Operating Model

— Drive a Division-wide, customer-focused culture by transitioning from an amalgamation-era geographic model to a City-wide functional model.

Toronto Building should also consider establishing a formal ladder of experience for staff related to the new organizational structure, allowing staff to progress from relatively simple to more complex building projects and issues (e.g., moving from New Houses to Complex Projects). For example, specific training modules and job levels could be associated with different project types.

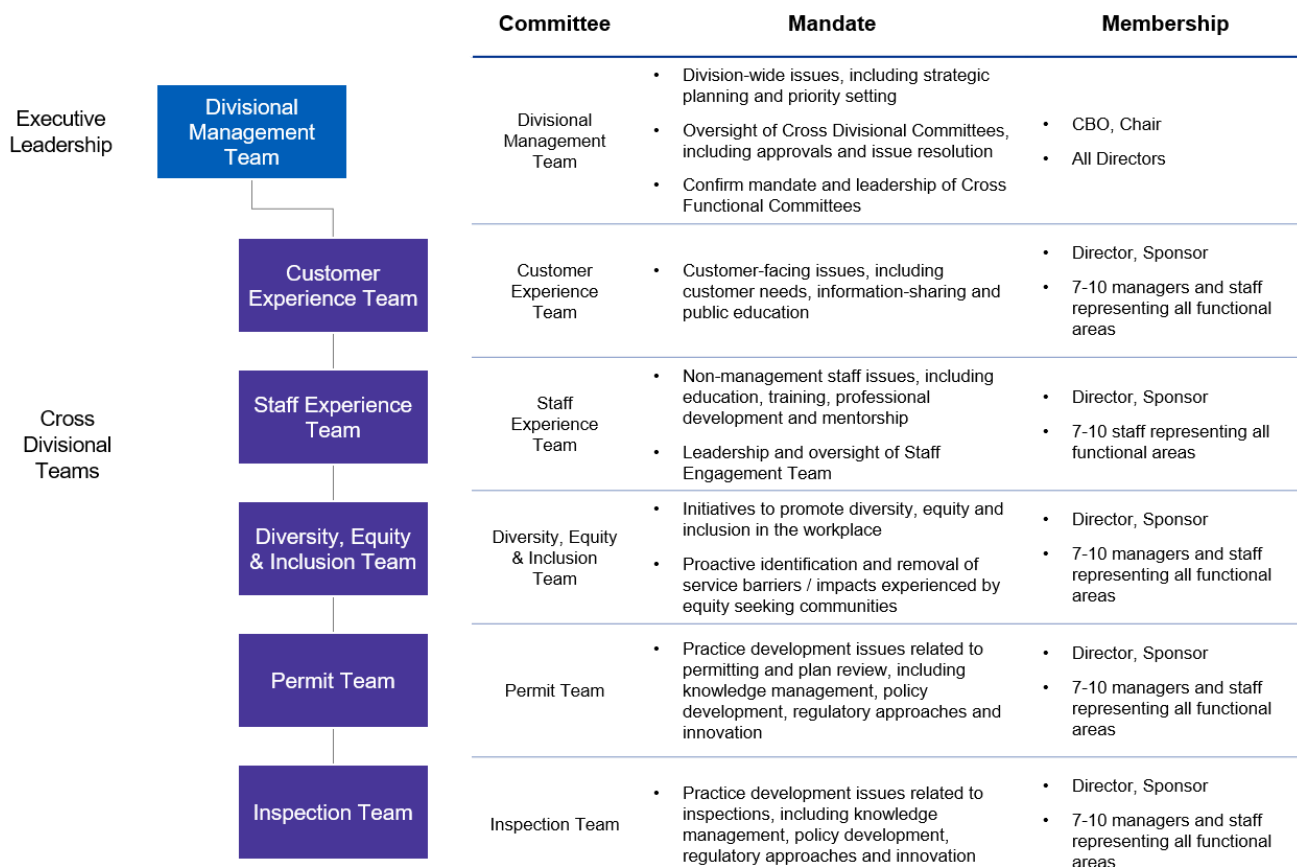
This recommendation should be read alongside Recommendations 2.3 and 2.4, which address risks associated with the transition to the new functional model.

2.3 *Implement a new divisional governance structure to enable cross-functional collaboration and strengthen equity-based decision-making.*

A risk associated with the proposed organizational structure is the creation of functional silos that can impede collaboration and coordination.

To mitigate this risk, Toronto Building should adopt the refreshed governance structure presented in Figure 12. It was developed through our co-design process and refined through engagement with managers and staff. Horizontal linkages, such as the proposed governance structure, are a best practice used by complex public sector organizations to enable coordination across organizational units.

Figure 12: Refreshed Governance Structure



Operating Model

The proposed governance structure is composed of five Cross-Divisional Teams, each focused on a major divisional priority or functional area:

- Customer experience;
- Staff experience;
- Diversity, equity and inclusion;
- Permitting; and,
- Inspections.

Each team would be sponsored by a member of DMT and composed of seven to 10 managers and staff with representation from each of the Division's functional areas (e.g., the permitting team should include representation from inspections). An exception is the Staff Experience Team, which is led by a Director but only includes staff representatives from below the manager level.

The effectiveness and transparency of each team should be supported through:

- Terms of Reference approved by DMT that describe in detail each team's mandate and deliverables;
- Time-limited membership to increase participation (e.g., limiting manager or staff participation to one year);
- The creation of sub-teams to tackle specific tasks (e.g., specific permitting issues);
- The creation of clear criteria to determine participation; and,
- Quarterly reporting of each team's progress against mandate and deliverables.

Establishing the proposed governance structure will allow Toronto Building to:

- Increase collaboration, coordination and a shared culture across functions through activities like information sharing, priority-setting and the management of cross-functional initiatives;
- Focus on diversity, equity and inclusion in the workplace and service delivery;
- Provide additional career development opportunities for staff through participation and integration with DMT and related initiatives; and,
- Provide opportunities to integrate operations and strategic support services (e.g., through the creation of issue-specific sub teams that include representatives from both groups).

The governance structure would replace the Division's current governance framework (Teams), which staff interviewees identified as ineffective.




2.4 Establish a Council liaison function to support the building services-related needs of City Councillors and their constituents.

Toronto Building's current district-based organizational structure is aligned with the City's four Community Councils. The functional model identified in Recommendation 2.2 is organized on a City-wide basis, creating a potential gap between the Division's new organizational structure and the City's Community Council structure.

Operating Model

To address this gap, Toronto Building should establish the Council liaison function identified in Figure 13.

Figure 13: Council Liaison Function

Roles & Responsibilities	<p>Community Council Co-ordination</p> <ul style="list-style-type: none"> — Agenda management and, in co-ordination with other functional areas, report preparation — Attending, participating and monitoring Community Council meetings <p>City Councillor / Constituent Services</p> <ul style="list-style-type: none"> — Initial point of contact for City Councillors on constituent and policy issues — Facilitate the resolution of complex constituent issues — Lead regular briefings on divisional activities and Councillor priorities — Link City Councillors to functional areas as needed 	
Staffing & Organization	<ul style="list-style-type: none"> — Three to four staff with cross-functional experience — Organized geographically to align with ward boundaries (though not necessarily Community Council areas) 	
Location & Reporting	<ul style="list-style-type: none"> — Located in the CBO's Office — Reporting to the Manager, Customer Services & Issues Management 	

Developed through our co-design process, the Council liaison function:

- Creates a dedicated, single point of contact for City Councillors and their offices on constituent and other issues;
- Provides a “one window” experience for City Councillors and their offices into the Division and its services;
- Assigns clear roles and responsibilities for Community Council-related matters, including attendance and participation and,
- Preserves elements that are working well with the Division’s current district-based organizational structure.

The Council liaison function would integrate the Division with the City’s Community Council structure. It provides staff with an opportunity to gain cross-functional experience and increases City Councillor awareness of Toronto Building, a weakness identified through our research.

The proposed Council liaison function also aligns with leading practice. Our jurisdictional research identified the effective management of constituent issues as a key success factor for building regulators.

2.5 *Create new supervisory positions to enhance management capacity and staff career development opportunities.*

The manager to staff ratio in Toronto Building’s four operational districts ranges from a low of 1:12 to a high of 1:25.5, with an average manager to staff ratio of 1:14.⁵ Our research indicates that the workloads of these managers are largely focused on operational matters. As a result, capacity for more

⁵ Ratios determined by an analysis of 2019 FTE information provided by Toronto Building.

Operating Model

strategic or managerial responsibilities – such as staff development, strategic work planning and cross-functional collaboration – is limited.

To address this gap, Toronto Building should establish supervisory positions within each of the three operational sections of the new organizational model identified in Recommendation 2.2.


The responsibilities of the supervisory positions should include:

- Providing day-to-day technical support, guidance and advice to staff in their functional area of expertise;
- Reviewing and resolving technical operational issues identified by staff;
- Escalating difficult operational issues to managers;
- Supporting managers in the resolution of complex customer issues and files; and,
- Supporting staff training and development activities, such as onboarding.

The proposed supervisory positions would also provide additional career development opportunities for staff and ease the transition into manager roles, a career development barrier identified during our stakeholder consultations with Toronto Building staff.

3. Process

This section presents our recommendations related to the process pillar of Toronto Building's new operating model. This pillar describes how work is organized, including the practices, procedures and activities used to deliver services.

 3. Process	3.1 Align service delivery models with application complexity and customer type to improve customer service, application quality and overall performance.
	3.2 Adopt modern regulatory approaches to expedite service delivery, build trust with industry and focus resources on the highest impact activities.
	3.3 Review and implement outstanding business process improvement opportunities and establish a formal continuous improvement program.







3.1 *Align service delivery models with application complexity and customer type to improve customer service, application quality and overall performance.*

Toronto Building should adopt the six-tiered streaming matrix in Figure 14 on the next page for building permit and inspection services. The six tiers are differentiated by building project complexity and customer type, ranging from simple projects brought by inexperienced applicants to complex projects supported by professional consulting teams.

The streaming matrix presented in Figure 14 is a draft that will need to be finalized through implementation. Specific next steps to finalize the streaming matrix are included in Chapter 4.

Operating Model

Figure 14: Building Services Streaming Matrix

						
	Small Residential Projects	Commercial Xpress	New Homes	Additions & Renovations	Complex Projects	Strategic City-wide Priorities
Overview	Small residential projects typically undertaken by homeowners.	Small commercial, industrial and retail projects, interior alterations and signs.	New single family homes.	Minor additions and alterations, including residential and commercial.	Large, complex projects and major additions and alterations, including residential and commercial.	Projects that support the City's strategic objectives.
Customer Types	<ul style="list-style-type: none"> Building Code Identification Number (BCIN) qualified applicants Inexperienced or one-time applicants 	<ul style="list-style-type: none"> Experienced/new professionals Builders and renovators 	<ul style="list-style-type: none"> Experienced/new professionals Builders and renovators 	<ul style="list-style-type: none"> Experienced/new professionals Builders and renovators 	<ul style="list-style-type: none"> Experienced professionals Large consultant teams 	<ul style="list-style-type: none"> Experienced professionals City of Toronto partners (Divisions & ABCs)
Example Applications	<ul style="list-style-type: none"> Decks, sheds, porches Garages and carports Minor additions and interior alterations 	<ul style="list-style-type: none"> Interior alterations Sign permits Tents Minor fire damage repair 	<ul style="list-style-type: none"> Part 9 Projects New houses 	<ul style="list-style-type: none"> Part 9 Projects Minor Part 3 Projects 	<ul style="list-style-type: none"> Major Part 3 Projects High-rise, mid-rise and mixed-use Tall wood structures 	<ul style="list-style-type: none"> Modular Housing Program Housing Now Initiative Transit projects Toronto Green Standard
Service Delivery Model	<ul style="list-style-type: none"> Customer service tailored to BCIN applicants or inexperienced applicants (e.g., additional guidance and direction) Express service Bundled approvals 	<ul style="list-style-type: none"> Customer service tailored to professionals Express service Bundled approvals 	<ul style="list-style-type: none"> Customer service tailored to professionals Bundled approvals 	<ul style="list-style-type: none"> Customer service tailored to professionals Bundled approvals 	<ul style="list-style-type: none"> Pre-consultation Milestone meetings Single point of contact to manage project across building permit and inspection lifecycle Senior staff 	<ul style="list-style-type: none"> Pre-consultation Milestone meetings Single point of contact to manage project across building permit and inspection lifecycle Senior staff
	LESS ————— COMPLEXITY —————> MORE					

Operating Model

Supporting each tier is a distinct service delivery model tailored to each project type and related customer group. For example, small residential projects would be supported through an express model offering fast service, bundled approvals and customer service tailored to Building Code Identification Number (BCIN) qualified and / or inexperienced applicants. Complex projects, by contrast, would be supported by a dedicated City lead and additional project management support, including a pre-consultation process and milestone meetings.

Streaming work by complexity and customer type would allow Toronto Building to:

- Improve the customer experience by tailoring services and service levels to the needs of different customer types;
- Increase service speeds and system capacity by quickly processing low complexity projects and better matching staff skills to project types
- Increase Toronto Building's capacity to lead and support the City's strategic objectives by establishing a dedicated team to focus on strategic City-wide projects; and,
- Enhance career development opportunities by creating a formalized ladder for career progression from less to more complex project types.

Built from an outside-in customer perspective, the streaming matrix will also facilitate the Division's alignment around a shared customer-focused culture.

Toronto Building should work with partner divisions to explore the opportunity of bundling or coordinating services for less complex projects to further enhance the customer experience. Building permits are typically one of many different City approvals or permits required for a building project. An analysis of our stakeholder engagement research indicates that interdivisional approval and permitting processes are generally uncoordinated and require significant applicant time and effort to navigate. Bundling is a best practice used in many customer-facing industries to improve service by reducing the administrative and navigational burden associated with multiple applications.

The streaming matrix was developed through our co-design process and builds on insights identified through engagement with customer representatives as well as Toronto Building managers and staff. It would replace existing approaches, such as FastTrack, which were identified as ineffective by internal and external stakeholders.

This recommendation should be read alongside Recommendation 2.1, which identifies how the streaming model can be incorporated into the Division's new functional organizational structure.

3.2 Adopt modern regulatory approaches to expedite service delivery, build trust with industry and focus resources on the highest impact activities.

Our jurisdictional research identified a range of modern regulatory approaches used by comparable building regulators to improve application quality, reduce compliance costs for applicants and improve overall business performance.

Figure 15 on the next page identifies four modern regulatory opportunities for Toronto Building across two categories. These opportunities were identified through our co-design process and incorporate insights from our jurisdictional research and engagement with internal and external stakeholders.

Operating Model

Figure 15: Opportunities for Modern Regulatory Approaches

Category	Description	Specific Opportunities	Benefits
Risk-based service delivery	Tailoring services and processes to the risks associated with the regulated activity.	<ul style="list-style-type: none"> — Streamline and simplify permitting and/or inspection processes/steps for extremely low risk activities (e.g., permitting/inspections related to small residential and commercial projects). 	<ul style="list-style-type: none"> ✓ Focus staff resources where they are most needed / have the highest impact. ✓ Enhance trust and collaboration with customers and industry. ✓ Expedite application processing and inspections. ✓ Facilitate restart and recovery from COVID-19 for small businesses.
Spectrum approach to compliance	Using a spectrum of enforcement tools to achieve regulatory compliance, from encouragement and enablement to deterrence and penalties.	<ul style="list-style-type: none"> — Share the Division's technical interpretations of the Building Code with customers in a publicly accessible location. — Develop and make publicly available generic alternative solutions for common projects. 	<ul style="list-style-type: none"> ✓ Improve application quality. ✓ Proactively address enforcement concerns early in the process. ✓ Reduce compliance costs for customers. ✓ Expedite application processing and inspections.

Our research indicates that there is a broad range of modern regulatory approaches within each category. The specific opportunities identified in Figure 15 are meant as a starting point, the beginning of a longer journey towards modern regulatory approaches.

In some cases, modern regulatory approaches, such as developing generic alternative solutions, will require legislative and regulatory change. Toronto Building should work with the Province of Ontario and North American peer municipalities to identify the legislative and regulatory changes necessary to enable modern regulatory approaches. Given the increasing complexity of development activity in Toronto, the Division has an opportunity to play a leadership role in helping to develop and enable new approaches to service delivery.

Successfully implementing modern regulatory approaches is dependent on maturing many of the new business support functions identified in Recommendation 2.1. Implementing risk-based approaches, for example, requires additional capabilities and resources in building policy and business intelligence that do not currently exist within the Division.

Operating Model

3.3 *Review and implement outstanding business process improvement opportunities and establish a formal continuous improvement program.*

The Program Review is part of an ongoing divisional modernization program. In 2015, Toronto Building completed business process reviews of its building permit application process and inspection services. Supported by a third-party, these reviews included recommendations to improve the efficiency, effectiveness and quality of service delivery.

The Program Review did not include a detailed business process review. However, our stakeholder interviews indicate that many of the improvement opportunities identified through the 2015 studies have not been consistently implemented. Toronto Building staff identified a lack of dedicated resources as the primary reason.

As part of the transition to the new operating model identified in this report, Toronto Building should review the recommendations included in the 2015 business process reviews, identifying improvement opportunities that align with the new operating model.

Toronto Building should also establish a formal continuous improvement program to improve the effectiveness and efficiency of core business services. While continuous improvement activities take place today, they are informal and lack dedicated resources, leading to staff frustration.

A formal continuous improvement program would include:

- A clearly defined process improvement lead with accountability for the program across all functional areas and the corresponding authorities;
- Dedicated resourcing;
- A rapid review of existing process improvement work to identify opportunities that provide value and can be implemented;
- A governance structure to sign off on work plans and specific process improvements;
- Alignment with relevant corporate business transformation programs, such as C2K and CXi; and,
- A review mechanism to evaluate the effectiveness of process changes.

This is also an opportunity to engage the governance structure identified in Recommendation 2.3. For example, the development of specific business process improvement opportunities could be included in the mandate of the Permit and Inspection Teams.

4. People & Culture

This section presents our recommendations related to the people and culture pillar of Toronto Building's new operating model. This pillar describes activities related to staff engagement, professional development, attraction, retention and the Division's organizational culture.



4. People & Culture

- 4.1 Clearly articulate and communicate Toronto Building's regulatory role and responsibilities to facilitate the development of a shared divisional culture.
- 4.2 Invest in a dedicated staff training and development program to improve consistency, staff retention and a shared understanding of Toronto Building's regulatory mandate.
- 4.3 Establish a formal job rotation program to increase cross-functional coordination and staff development opportunities.

Operating Model

4.4 Improve consistency, training and onboarding by creating a centralized, easy-to-use staff portal.

4.1 *Clearly articulate and communicate Toronto Building's regulatory role and responsibilities to facilitate the development of a shared divisional culture.*

Starting with a refreshed vision statement (Recommendation 1) and functional organizational structure (Recommendation 2.2), Toronto Building's leadership team should use the Program Review to clearly articulate and communicate a shared understanding of Toronto Building's regulatory role and responsibilities. Clearly and publicly identifying regulatory roles and responsibilities is a leading practice used by regulators in similarly complex environments to enhance transparency and align internal and external stakeholders.⁶

Our research indicates that there are currently two broad-based interpretations of Toronto Building's regulatory mandate:

- A narrower interpretation focused on ensuring building safety; and,
- A wider interpretation focused on building safety alongside a broader set of strategic objectives (e.g., sustainability, infill construction, economic development, equity and inclusion) and tools (e.g., education, customer enablement and enforcement).

Our research also indicates that there is no preferred interpretation of Toronto Building's regulatory mandate captured in any guiding documents and consistently communicated to internal and external stakeholders.

To address this gap, Toronto Building should develop a regulatory charter. The document would clearly identify Toronto Building's regulatory mandate, approach to enforcement and the roles and responsibilities of its key stakeholders related to building services. Key stakeholders that should be identified include: applicants, industry, City partners (e.g., other Divisions), the public and the Government of Ontario.

The charter should include:⁷

- Each stakeholder's mandate, role and responsibilities related to building services;
- A clear statement of Toronto Building's regulatory objectives; and,
- Principles to guide the application of Toronto Building's regulatory and enforcement activities (e.g., inspections will be responsive and risk-based).

To help ensure the effectiveness of the charter, Toronto Building should:

- Incorporate the document into staff onboarding and training activities;
- Incorporate the document into industry training and outreach activities, including those identified in Recommendation 5.1; and,
- Keep an updated version of the document in a publicly accessible location, such as the Division's website.

⁶ See for example, OECD, Best Practice Principles for Improving Regulatory Enforcement & Inspections (2014).

⁷ Adapted from *ibid*.

Operating Model

In addition to facilitating alignment around a shared division culture, the proposed regulatory charter can act as a roadmap for new hires and aspiring leaders, clearly identifying the Division's regulatory direction. It can also serve as a reference point for leadership to guide planning and decision making.

4.2 Invest in a dedicated staff training and development program to improve consistency, staff retention and a shared understanding of Toronto Building's regulatory mandate.

Our research indicates that Toronto Building's training and development activities are generally informal and inconsistent, particularly across operational districts. For example, Toronto Building does not have a formal Division-wide onboarding program to support new plan review or inspections staff. Toronto Building staff identified the lack of training and development opportunities as a significant pain point that contributes to staff frustration and service delivery inconsistencies. The need for training and development is expected to increase given the turnover associated with the large number of anticipated retirements.

The recommended training and development program should be located in the Workforce Planning & Development unit and include dedicated resources to lead the planning and delivery of training activities. Specific training and development activities that Toronto Building should consider and were identified through our research include:

- A formal onboarding program for all staff, including a review of the charter or terms of reference identified in Recommendation 4.1, to facilitate the development of a shared Division-wide culture;
- A formal mentorship program for new hires pairing them with more experienced staff to accelerate their learning process;
- Focused customer service training, a leading practice used by several of the building regulators included in our jurisdictional research; and,
- Leadership training, particularly for new and aspiring managers to support their successful transition into management roles, a significant gap identified by Toronto Building staff and a common practice identified in our jurisdictional research.

Alongside the training and development program, Toronto Building should review the approval and reimbursement process for external training and development activities. While many of these processes are corporately driven, they were identified as a significant staff pain point. There may be opportunities to work with partner divisions to reduce staff frustration, such as the creation of an online portal that includes easy-to-understand information about the application and reimbursement processes.

Toronto Building should align the proposed training and development program to the new building services streaming matrix included in Recommendation 3.1. The complexity-based work streams present an opportunity to establish a formal career progression ladder from simple to more complex projects with training planned around key milestones.

4.3 Establish a formal job rotation program to increase cross-functional coordination and staff development opportunities.

In addition to the training and development program identified in Recommendation 4.2, Toronto Building should establish a formal job rotation program for permitting and inspections staff. The job rotations would be temporary (staff would move back to their original position after a certain amount of time) and lateral (staff would be rotated into a position at or near the same level).

Operating Model

The length of job rotations may vary. As a pilot, the initial program could be structured around short-term job shadowing (one to two weeks) before transitioning into a more structured job rotation program (three to six months).

A number of the building regulators included in our jurisdictional research use formal job rotation programs to improve co-ordination and collaboration across functional areas. Job rotation programs can also:

- Improve employee engagement, onboarding and retention as well as assist with succession planning;
- Provide hands-on training and skills developments for new hires and experienced staff;
- Facilitate the development of a leadership pipeline; and,
- Enhance customer service and facilitate the development of a Division-wide culture by providing staff with an end-to-end view of the services offered by the Division.

Toronto Building should consider integrating the job rotation program into the career progression ladder identified in Recommendation 2.2. For example, job shadowing could be coupled with the training identified in Recommendation 4.2 to support staff progression into more senior roles.

4.4 Improve consistency, training and onboarding by creating a centralized, easy-to-use staff portal.

Toronto Building should create a centralized, accessible online staff portal. The staff portal would replace the informal and inconsistent use of the Division's network folder system, which staff identified as cumbersome and ineffective. The portal should include:

- Technical documents and approved interpretations (e.g., standard interpretations of the Building Code and the zoning by-law, *Building Code* updates);
- Operational policies, procedures and manuals;
- Administrative policies and guidelines (e.g., reimbursement policy and guidelines);
- Divisional updates and news (e.g., Building Blocks);
- HR resources, including training and development materials as well as supporting materials (e.g., onboarding guides); and,
- Information supporting the governance structure included in Recommendation 2.3 (e.g., TOR for the Cross-Divisional Teams).

Many of the jurisdictions included in our research use online staff portals to provide staff with a one-stop-shop for the resources and tools required to perform their duties. The portal would also facilitate onboarding, knowledge transfer and consistency by centralizing critical information in an accessible location.

The portal should be managed by the Director, Building Policy & Partnerships and should be considered part of the knowledge management function included in Recommendation 2.1.

5. Customer

This section presents our recommendations related to the customer pillar of Toronto Building's new operating model. This pillar describes the experience of applicants and other clients related to Toronto Building's services.

Operating Model



5. Customer

- 5.1 Improve customer satisfaction and application quality through a formalized industry education program.
- 5.2 Create a formal City-industry advisory committee (or committees) to build trust, foster collaboration and address common issues.
- 5.3 Develop new customer-facing tools to reduce compliance costs and improve transparency, consistency and application quality.

5.1 *Improve customer satisfaction and application quality through a formalized industry education program.*

Industry stakeholders described Toronto Building's application and other requirements as unclear and inconsistent, increasing the time and cost of the permitting and inspections process. An industry education program can help address this pain point by regularly and proactively sharing more information with applicants. It can also help improve application quality, reducing application churn and allowing staff to focus on more value-adding activities.

The proposed industry education program should be located in the Building Policy & Partnerships section and will require dedicated resources to lead and manage educational activities. Our research indicates that previous educational activities, while successful, have not been consistent because they were not sufficiently resourced.

Industry educational opportunities identified by internal and external stakeholders include:

Customer Type	Opportunities
Homeowners and non-professional applicants	Rotating townhalls to provide general information about building services for small residential projects (including online resources) and relevant City initiatives.
Renovators and general contractors	Quarterly training to provide information about building services related to new homes, additions and renovations as well as relevant City initiatives.
New or junior professionals	Quarterly training on the City's building permit and inspections process, including application requirements, best practices and supporting resources.
Experienced professionals	Annual townhalls on significant process changes, Building Code updates and building policy matters.
Equity-seeking groups	Targeted townhalls and seminars to provide information about building services and seek feedback on systemic issues.

Toronto Building should work closely with industry associations and other industry partners to identify the most relevant subjects (e.g., application requirements, process walkthroughs, interpretative issues, etc.) and tactics (e.g., online, in-person, rotating locations, etc.) for the proposed training program. The Division should also consider aligning educational opportunities with the building services streaming model in Recommendation 3.1.

5.2 *Create a formal City-industry advisory committee (or committees) to build trust, foster collaboration and address common issues.*

Operating Model

Building on the success of the CBO's Renovators Roundtable, Toronto Building should establish a formal city-industry advisory committee. Membership should include representatives from each of Toronto Building's industry partners and their associations, such as: developers, renovators, engineers and architects.

To help ensure the effectiveness of the advisory committee, Toronto Building should:

- Use formal terms of reference to identify the committee's mandate, membership, work plan and meeting cadence;
- Assign a dedicated staff person to actively manage the committee, including agenda setting and reporting; and,
- Communicate widely so that the entire industry (not just the advisory committee members) are aware of the key discussion topics, technical consultations and related initiatives. Transparency will facilitate participation and help ensure that outcomes are supported.

The Director of Building Policy & Partnerships should be accountable for the proposed advisory committee. Over time, Toronto Building may consider creating separate advisory committees or subcommittees for specific industry partners (e.g., architects or engineers). The advisory committees could also be used to explore opportunities for industry to provide training and other educational programming to Toronto Building staff, creating two-way learning opportunities. Toronto Building should also consider engaging partner divisions in the committees where relevant, such as on complex construction-related issues.

Several of the building regulators included in our jurisdictional research identified formal advisory committees as an effective tool to proactively identify and address common issues. They can also be used to co-develop new policies and practices, stay ahead of emerging market expectations and build trust and collaboration with industry partners.

Alongside the proposed City-industry advisory committee, Toronto Building should also consider establishing advisory committees for other stakeholders, such as residents' associations. In some cases, it may be appropriate to include partner divisions (e.g., City Planning) as participants in the advisory committees.

5.3 Develop new customer-facing tools to reduce compliance costs and improve transparency, consistency and application quality.

Customer-facing tools like templates, guidelines and checklists reduce compliance costs by clearly articulating what is required to successfully comply with regulations and regulatory processes. While some of these tools exist today, internal and external stakeholders indicated that they are often hard to find, outdated, not available to the public or ineffective.

To address this gap, Toronto Building should review existing customer-facing tools. The work should:

- Inventory existing templates, guidelines and checklists, including location, date, source and frequency of use;
- Assess the effectiveness of existing tools;
- Engage staff and applicants to identify areas of needs where templates, guidelines or checklists are most needed or would be most impactful; and,
- Begin developing or updating templates, guidelines and checklists against a well-defined work plan.

Operating Model

The Director, Building Policy & Partnerships should lead this review and subsequent work with annual reporting against a well-defined workplan. The new tools should be made available on the Division's website and clearly communicated to staff and applicants.

Toronto Building should align the work with the building services streaming model identified in Recommendation 3.1 (i.e., develop specific tools for different streams and customer types).

6. Technology

This section presents our recommendations related to the technology enabler of Toronto Building's new operating model. This enabler describes how technology is used to support service delivery and Toronto Building's regulatory mandate.



6. Technology

- 6.1 Accelerate the modernization of Toronto Building's workflow management system.
- 6.2 Address staff technology needs to improve performance and reduce staff frustration.

6.1 *Accelerate the modernization of Toronto Building's workflow management system.*

Toronto Building staff consistently identified the Division's workflow management system – the software used to manage and issue building permits – as one of the primary obstacles to performance. The system was characterized as slow, obsolete, inefficient and highly manual.

Toronto Building shares its workflow management system with a number of other Divisions, and a corporate transformation program is underway to modernize the system.

A modern workflow management system is critical to enabling many of the recommendations included in this report. While a detailed analysis of future state business and system requirements was outside the scope of the Program Review, our stakeholder interviews as well as our leading practice research identified the following capabilities that should be included in a modernized system:

- **Data-enablement:** the system should be capable of capturing and quickly providing high quality data to support enhanced performance management and the business intelligence function identified in Recommendation 2.1;
- **Automation:** routine business processes and data entry should be automated as much as possible;
- **Interdivisional integration:** all divisions critical to Toronto Building's services and related approval and permitting processes (e.g., planning approvals) should be able to use the same integrated system, tracking and sharing information across divisions and related business processes; and,
- **Customer-facing portal:** the system should include or be integrated with a customer-facing portal that allows applicants to track and monitor permit and inspection processes in real time.

A modern workflow management system will help Toronto Building:

- Reduce the administrative burden on staff, expediting processing timelines and increasing system capacity for more value adding work;
- Reduce the business risks associated with legacy systems;

Operating Model

- Develop, implement and sustain modern regulatory approaches by providing data and analytics in a timely manner; and,
- Proactively manage performance, work loads and the application pipeline.

6.2 Address staff technology needs to improve performance and reduce staff frustration.

Nearly all plan review and inspection staff identified technology (software and hardware) as a major pain point that contributes to staff frustration and extends the time and effort required to review applications and conduct inspections.

For example, plan review staff indicated that it can often take several minutes to open files containing large drawings at their workstations, adding significant time to the application review process. Similarly, inspectors indicated that it is difficult to quickly review and comment on drawings and permits in the field on portable devices, leading to significant office time that reduces their capacity for inspections. Stakeholders identified numerous variations of these examples. These and other technology challenges were exacerbated by the COVID-19 pandemic.

In addition to the technology needs of plan review, inspections and other Toronto Building staff, the review should consider opportunities to:

- Leverage innovative technologies to improve service delivery (e.g., the use of drones and video technology for inspections);
- Improve the efficiency and effectiveness of virtual or remote work; and,
- Integrate with ModernTO and other corporate transformation programs to assess alternatives.

Similar to Recommendation 3.2, using innovative technology to support service delivery may require legislative and regulatory changes. Toronto Building should work with the Province of Ontario and North American peer municipalities to proactively identify opportunities for these and other changes.

7. Financial Model

This section presents our recommendations related to the financial model enabler of Toronto Building's new operating model. Toronto Building's financial model is critical to the successful transformation of the Division into a modern, customer-focused regulator. The recommendations in this section are based on our detailed review of the Division's cost allocation methodology, financial reporting practices and reserve funding approach. This work was also used to support the other recommendations included in this Chapter.



7.

Financial Model

- 7.1 Explore shifting to the rate-based budget process to improve operational flexibility and resilience.
- 7.2 Implement a leading practice cost allocation methodology to improve transparency and support enhanced performance management.
- 7.3 Formally document the basis for corporate charges to improve transparency and support the Division's financial reporting processes.

7.1 Explore shifting to the rate-based budget process to improve operational flexibility and resilience.

As directed by legislation, Toronto Building operates on a cost-recovery basis. The fees charged for permits and other services cover the direct and indirect costs of Toronto Building's operations. In 2020,

Operating Model

for example, Toronto Building collected approximately \$77 million in fee revenue against total expenditures of \$61 million.⁸

For the purposes of the City's annual budget cycle, however, Toronto Building is part of the City's tax-supported rather than rate-supported budget process, which includes Toronto Water and Solid Waste Management Services.

Toronto Building stakeholders indicated that the tax supported budget process is a significant constraint on the Division's capacity to adjust service levels in response to market fluctuations and invest in service improvements. Over the past ten years, for example, building permit applications have increased by 33% while approved FTE positions increased by only 4%.

To address this gap, Toronto Building, in cooperation with the Office of the Chief Financial Officer and Treasurer and the Policy, Planning, Finance & Administration Division, should conduct a formal options analysis for shifting Toronto Building from the tax-supported to the rate-supported budget process. City stakeholders indicated that the rate-supported budget process provided divisions with additional flexibility to quickly adjust staffing levels and invest in service delivery improvements.

The capacity to quickly adjust staffing in response to industry and market changes was identified by many of the building regulators in our jurisdictional research as a critical success factor. One municipality included in our research provided the CBO with delegated authority to create new positions subject to the restriction that they must be 100% supported by building permit fees. Operational flexibility would also provide Toronto Building with the capacity to quickly respond to large projects or changing City-wide priorities.

7.2 Implement a leading practice cost allocation methodology to improve transparency and support enhanced performance management.

Toronto Building should implement activity-based costing, a leading practice cost allocation methodology. Activity based costing improves transparency by assigning direct and indirect costs to related services and activities. For Toronto Building, activity-based costing would:

- Improve the accuracy and understanding of the costs associated with the Division's services, including indirect costs
- Enhance the alignment of fees and service costs; and,
- Provide more accurate and transparent financial information to support enhanced performance management, improved decision-making and the shift to a more rate-based budget model identified in Recommendation 7.1.

Our jurisdictional research indicates that other Ontario building regulators have used activity-based costing to help more accurately align fees with the costs of service delivery.

7.3 Formally document the basis for corporate charges to improve transparency and support the Division's financial reporting processes.

Toronto Building relies on the Corporate Finance Division for information about the Division's corporate charges, which includes indirect costs and unfunded liabilities. Indirect costs are the costs of services provided by other City divisions that allow Toronto Building to deliver its legislatively mandated services. Examples of indirect costs include legal services, human resources, facilities and information

⁸ Source: Toronto Building.



Operating Model

technology. Unfunded liabilities are accounting liabilities that are not covered by existing assets, savings or investments. Examples of unfunded liabilities include retiree benefits, pensions and sick pay.

Our financial analysis identified three challenges related to corporate charges:

- Toronto Building's Annual Report must be completed within three months of year end, but information about indirect costs, which is required to complete the Annual Report, is typically provided much later in the year;
- The basis for the allocation of indirect costs to Toronto Building has not been formally documented, a barrier to a transparent budgeting process; and,
- Unfunded liabilities are allocated by the Corporate Finance Division to Toronto Building based on the five-year average annual change in costs such as retiree benefits and pensions, which Toronto Building stakeholders indicated has not been formalized as a standard practice as part of the City's broader User Fee Policy.

To address these challenges, Toronto Building should work with the Office of the Chief Financial Officer and Treasurer and the Policy, Planning, Finance & Administration Division to formally document the basis for corporate charges. Formally documenting the basis for these charges will increase transparency and support Toronto Building's budgeting and financial reporting processes.

Alongside this work, Toronto Building should engage the Province of Ontario to explore legislative and regulatory changes to provide additional time to develop the Annual Report.

4. Implementation Plan





Implementation Plan

This Chapter presents an implementation plan for Toronto Building to transition to the modern, client-centric operating model included in this report. It has two parts: i) a recommended implementation team and supporting governance structure; and, ii) a roadmap with detailed actions to implement each of the 21 recommendations included in Chapter 2.

The implementation plan is based on KPMG leading practice and was developed in consultation with Toronto Building.

The features of the proposed implementation team and governance structure include:

- Executive-level sponsorship to provide clear direction, remove obstacles and smooth integration with related corporate transformation projects (e.g., C2K, CXi);
- A dedicated project director and six-to-seven member staff team to lead day-to-day management and implementation activities; and,
- Integration and alignment with the Division's existing governance structure.

Implementation Team & Governance

The transition to the new operating model is a complex transformation program that includes significant change across Toronto Building's business. Given the scale and scope of the change, the Division should establish a dedicated Program Review Implementation Team to lead, action, monitor and report on the implementation.

Based on similarly complex operating model transformations, we anticipate a need for six to seven dedicated FTE's for 12-18 months. The Implementation Team should have the following capabilities and experience:

- Program management
- Business process improvement (mapping, improvement and design)
- Change management
- Human resources, including labour relations
- Communications
- Organizational design
- Operating model transformation

The Implementation Team should be located in the CBO's Office and report to a dedicated Project Director.

In addition to the Implementation Team, many of the recommendations will require subject matter expertise from Toronto Building staff. As a starting point for subject matter expert engagement, Toronto Building should engage the Program Review Engagement Team, which could also support change management activities. Toronto Building should also consider engaging the proposed governance structure included in Recommendation 2.3 to provide subject matter expertise (i.e., the Permit Team and the Inspection Team).

Implementation Plan

To facilitate alignment with other transformation programs (e.g., C2K and CXi) and quickly address transformation roadblocks, implementation governance should be centralized in an executive-level Steering Committee and integrated with the Division's existing leadership team structure.

Figure 16 shows the recommended implementation governance structure, and Figure 17 presents the mandates, memberships and proposed meeting cadences for each element within the governance structure.

Figure 16: Implementation Team Governance Structure

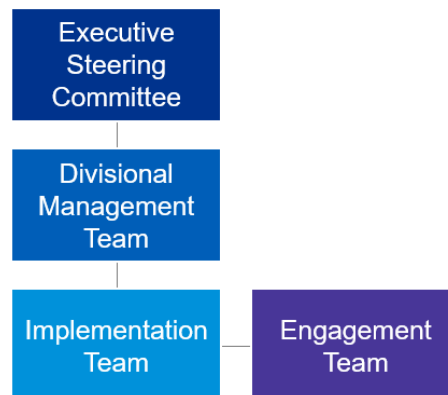


Figure 17: Governance Structure Mandates

Element	Mandate	Membership	Cadence
Executive Steering Committee	<ul style="list-style-type: none"> — Strategic direction and oversight — Escalation point for most difficult issues — Barrier removal — Approval of transformation roadmap and major changes 	<ul style="list-style-type: none"> — CBO (Chair) — Deputy City Manager, Infrastructure & Development Services — Chief Operating Officer, Development — Chief Planner & Executive Director, City Planning — General Manager, Transportation Services — Chief Technology Officer, Technology Services 	Quarterly
Divisional Management Team	<ul style="list-style-type: none"> — Decision-making on all major project issues — Escalation point 	<ul style="list-style-type: none"> — Toronto Building Directors 	Weekly

Implementation Plan

Element	Mandate	Membership	Cadence
	<ul style="list-style-type: none"> — Approval of major work products — Change management and communications support 		
Implementation Team	<ul style="list-style-type: none"> — Day-to-day management and execution of all implementation activities and the transformation roadmap, including change management, communications and reporting — Accountable for overall project success, including timelines and deliverables 	<ul style="list-style-type: none"> — Project Director (1 FTE) — Business Analysts (1-2 FTEs) — Change Management (1 FTE) — Project Co-Ordinator (1 FTE) — HR (1 FTE) — Communications (1 FTE) 	As required
Engagement Team	<ul style="list-style-type: none"> — Subject matter advice to assist with design / implementation of specific recommendations — Change management support (e.g., act as change champions) 	As required	0.5 days / week for each staff (variable)

In addition to the recommended Implementation Team, Toronto Building should consider establishing designated implementation leads in each functional area. These leads could support change management activities and provide advice and support to the Implementation Team related to their functional area.

Implementation Plan

Implementation Roadmap

Figure 18, at right, provides an overview of our implementation roadmap.

On the following pages, we set out detailed actions to i) stand up the Implementation Team and related governance structure included above and ii) implement the 20 recommendations that constitute Toronto Building’s new operating model.

Implementation of many recommendations will require additional planning and analysis prior to execution. The arrows in Figure 21 identify the time period in which we anticipate the recommendations to be fully implemented and do not include the time required for planning and analysis.

There are many opportunities to combine activities to accelerate implementation (e.g., gather feedback from industry and staff related to multiple recommendations at the same time). We have tried to identify these opportunities in the following pages.

Figure 18: Overview of Implementation Roadmap

Recommendation	1-3 Months			4-6 Months			7-12 Months						+12 Months
	1	2	3	4	5	6	7	8	9	10	11	12	--
Implementation													
0.1 Implementation team & structure													
Vision													
1.1 Adopt new vision													
Organization													
2.1 Back office support functions													
2.2 Functional organizational structure													
2.3 New governance structure													
2.4 Council liaison function													
2.5 Supervisory positions													
Process													
3.1 Building services streaming model													
3.2 Modern regulatory approaches													
3.3 Continuous improvement													
People & Culture													
4.1 Communicate regulatory mandate													
4.2 Staff training & development													
4.3 Job rotation program													
4.4 Staff portal													
Customer													
5.1 Industry education													
5.2 Industry advisory committee													
5.3 Customer-facing tools													
Technology													
6.1 Modernized workflow management													
6.2 Staff technology needs													
Financial Model													
7.1 Rate-based budgeting model													
7.2 Cost allocation methodology													
7.3 Corporate charges													



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
0.1	Establish a dedicated Implementation Team and supporting governance structure to lead, monitor, action and report on the implementation of the Program Review.	<p>Identify a dedicated interim lead to facilitate the establishment of the Implementation Team and supporting governance structure.⁹</p> <p>Interim lead to develop and secure approval for the Implementation Team Project Director (Project Director) job description from the Executive Steering Committee.</p> <p>Work with the Human Resources Division to accelerate recruitment of the Project Director. To facilitate the hiring process, consider internal candidates, including secondments, with transformation program experience.</p> <p>Interim lead to develop and secure approval for terms of reference for implementation governance structure from Executive Steering Committee, building on the mandates included in Figure 16.</p> <p>Interim lead to develop and secure approval for job descriptions for remaining members of the Implementation Team.</p> <p>Interim lead, working with CBO and DMT, to develop an interim change management and communications plan to guide early implementation activities. The interim plan should identify a core set of compelling key messages that explain the purpose, objectives and outcomes associated with the Program Review and the roles and responsibilities of the Implementation Team.</p> <p>DMT to review and CBO to approve the interim change management and communications plan.</p>	<p>Implementation Team to develop an integrated change management and communication strategy. The strategy should:</p> <ul style="list-style-type: none">— Build off the interim plan developed to guide early transition activities;— Identify the change impacts of each Program Review recommendation, including stakeholders and degree of change;— Appropriate tactics (targeted key messages, communication channels, frequencies) for each stakeholder group;— A timeline of internal and external communication activities; and,— Identify an implementation risk register and associated mitigation measures. <p>The change management and communication strategy should be a living document that develops alongside the Program Review implementation (e.g., the strategy should be updated following detailed</p>	<p>Ongoing activities to support the implementation of this roadmap.</p> <p>Implementation Team to provide bi-monthly progress updates against workplan to DMT and quarterly progress updates to the Executive Steering Committee.</p>	<p>Project Director to lead review of implementation progress, including:</p> <ul style="list-style-type: none">— Progress against workplan;— Effectiveness of recommendations implemented;— The identification of implementation challenges and recommended mitigation measures (as necessary); and,— Confirmation of remaining implementation workplan, including recommendations and sequencing. <p>We anticipate that Implementation Team activities will be completed after 12-18 months. For continuity, consider transitioning Implementation Team members to relevant business support functions (e.g., the continuous improvement program in Recommendation 3.3).</p>

⁹ The role and duration of the interim lead position will depend on the recruitment process for the Implementation Team Project Director (Project Director). For ease of reference, we refer only to the Project Director in subsequent recommendations; however, depending on the recruitment process, some of the early implementation activities described in subsequent recommendations may be completed by the interim lead.

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
		<p>Interim lead and CBO to onboard Project Director and transition recruitment and all other implementation activities.</p> <p>Project Director to establish monthly meetings with relevant corporate transformation programs (e.g., C2K, ModernTO) to identify opportunities to align implementation activities (e.g., industry consultations).</p>	<p>design of the new organizational structure).</p> <p>DMT to review and the Executive Steering Committee to approve the change management and implementation strategy.</p> <p>Implement and monitor the change management and implementation strategy.</p>		
1.1	Adopt a new vision to promote a shared, customer-focused culture and a common understanding of the Division's purpose and priorities.	<p>CBO to confirm new vision at Town Hall presenting the Program Review Final Report.</p> <p>Communicate new vision to internal and external stakeholders:</p> <ul style="list-style-type: none"> — Integrate new vision statement into internal communications (e.g., Building Blocks); — Present new vision to industry associations and explain what it means for them (e.g., focus on customer service and partnership); — Engage industry associations to promote new vision to their membership; and, — Integrate new vision into public-facing communications. <p>CBO and Project Director to meet with elected officials and present Program Review outcomes, including new vision statement.</p>	<p>Integrate new vision into the staff training and development program identified in Recommendation 4.2.</p> <p>Integrate new vision into industry education program and advisory committee identified in Recommendations 5.1 and 5.2.</p>	<p>Include new vision in annual budget cycle reporting documents and relevant divisional planning and strategy documents (e.g., an updated divisional work plan).</p>	

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
2.1	Establish new back office business support functions to improve performance, enable modern regulatory approaches and support innovation in design and construction.	<p>DMT to confirm business support functions included in Recommendation 2.1.</p> <p>Inventory existing business support functions, including location, service levels and staffing levels.</p> <p>Building on inventory of existing functions, Implementation Team to develop detailed mandates for each business support function, including roles and responsibilities, service offerings and service levels. Use the descriptions included in Recommendation 2.1 as a starting point.</p> <p>Implementation Team to conduct a resourcing needs analysis to determine FTE requirements for each business support function. This work should be integrated with the detailed organizational design described below in Recommendation 2.2 and coordinated with the directors of each functional area.</p> <p>Executive Steering Committee to confirm detailed design of business support functions, including resourcing needs.</p>	<p>Implementation Team, working with relevant functional directors, to develop job profiles for business support functions.</p> <p>Working with the Human Resources Division, Implementation Team to undertake recruitment activities for business support functions, as needed.</p> <p>To accelerate the transition, consider internal candidates and Toronto Building staff that are currently performing similar functions.</p> <p>Begin standing up new business support functions.</p> <p>Recruitment and transition activities should be integrated with the transition plan to support the new organizational structure identified below in Recommendation 2.2.</p>	Ongoing implementation activities to stand up the new business support functions.	The year end review identified below in Recommendation 2.2 should include an assessment of implementation progress related to the new business support functions.
2.2	Adopt a functional organizational structure to improve flexibility, resilience and consistency.	<p>Executive Steering Committee to confirm high-level functional organizational structure presented in Recommendation 2.2.</p> <p>Implementation Team to gather data to support detailed organizational design. Data to include: work volumes, staffing levels, services and job profiles / descriptions for each functional area.</p> <p>Working with DMT, Implementation Team to develop detailed mandates and functions for each director and</p>	<p>Implementation team to develop transition plan to implement new functional structure. The plan should include:</p> <ul style="list-style-type: none"> — An overall transition schedule, including key milestones; — Impacts to existing processes, procedures and policies; 	<p>Ongoing transition activities including regular reporting to DMT and the Executive Steering Committee as well as regular communications to Toronto Building staff.</p> <p>Consider providing a weekly update on transition activities in Building Blocks and rotating in</p>	<p>Implementation Team to conduct year end review of transition to new functional model, including:</p> <ul style="list-style-type: none"> — Progress against plan; — Challenges encountered; — Work remaining; and,



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
		<p>manager-level structure included in Recommendation 2.2. Consider using a responsibility assignment matrix or similar tools to support the development of detailed mandates at the manager-level.</p> <p>Implementation Team to conduct detailed FTE mapping and workload analysis to determine:</p> <ul style="list-style-type: none">— The number of manager-level and below structures required for each function;— The number and location of the supervisory positions identified in Recommendation 2.5; and,— The number of FTEs required for each manager-level and below structure. <p>Implementation Team to review existing job profiles for each functional area, identifying i) job descriptions that will need to be modified and ii) job descriptions that will need to be created.</p> <p>We anticipate the detailed organizational design activities described above will require multiple working sessions with the CBO and DMT.</p> <p>Executive Steering Committee to confirm detailed organizational design (manager-level and below structures and FTE estimates).</p>	<ul style="list-style-type: none">— The change impacts to individual staff;— A change readiness assessment of staff;— Training needs for existing, new and modified roles;— The change management tactics that will be used to facilitate the transition to the new model (e.g., communications, key messages, engagement tactics, etc.);— Costs, including new resource requirements; and,— Transition risks and mitigation strategies. <p>The transition plan should be integrated with the Program Review communications and change management strategy identified above in Recommendation 0.1.</p> <p>Executive Steering Committee to approve transition plan.</p> <p>Implementation Team, working with the Human Resources Division, to update job descriptions.</p> <p>Implementation Team, working with the Human Resources Division, to begin recruitment activities to support transition to new organizational</p>	<p>person (or virtual) town halls for Toronto Building staff.</p> <p>The Program Review Engagement Team should be leveraged to support change management activities.</p> <p>Implementation Team to conduct regular change readiness pulse checks to inform change management activities.</p>	<ul style="list-style-type: none">— Any changes or adjustments that should be made to the transition plan or the detailed organizational design.



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
			<p>structure. Recruitment should be phased to align with the overall transition schedule.</p> <p>Begin transition to new functional model.</p>		
2.3	Implement a new divisional governance structure to enable cross-functional collaboration and strengthen equity-based decision-making.	<p>Collect information and documentation related to existing divisional governance structures (e.g., teams, mandates, membership, work plans, etc.) to inform development of new governance structure.</p> <p>Implementation Team to draft terms of reference for new governance structure. For each team, terms of reference should include: mandate, membership, criteria for determining membership, term (i.e., length of term for each member), reporting structure (to whom and how often the team will report against progress) and meeting cadence.</p> <p>Use the mandates included in Recommendation 2.3 as a foundation and incorporate information related to the existing divisional governance structure where relevant.</p> <p>Implementation Team should solicit feedback on the draft terms of reference from Toronto Building staff. For example, consider presenting the draft at a Town Hall followed by gathering feedback through an online survey or similar mechanism.</p> <p>DMT to approve terms of reference for new governance structure.</p>	<p>Identify members for each team and stand up new governance structure.</p> <p>Implementation Team to work with each team to develop a “year one” workplan. Each workplan should include objectives, milestone and related activities.</p> <p>Implementation Team should identify opportunities to incorporate objectives and activities related to the Program Review implementation into workplans.</p> <p>Workplans should be approved by DMT, communicated to Toronto Building staff and made available on the Division’s internal website.</p> <p>Transition to new governance structure.</p>	<p>Teams to communicate progress against workplans monthly to DMT and Toronto Building staff.</p>	<p>Workplans should be reviewed and renewed annually by each team and approved by DMT.</p> <p>DMT to establish an annual review cycle to assess performance of each team and progress against workplan.</p>



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
2.4	Establish a Council liaison function to support the building services-related needs of City Councillors and their constituents	<p>Implementation Team to identify existing divisional touchpoints with elected officials and Community Councils.</p> <p>Implementation Team, working with the Manager, Customer Service & Issues Management, to develop a detailed terms of reference for the new Council liaison function. Terms of reference should include: mandate, roles and responsibilities, job levels, reporting structures, integration points with the Division’s operational functions. Use the roles and responsibilities identified in Recommendation 2.4 as a foundation.</p> <p>Manager, Customer Service & Issues Management, to engage City Councillors to gather feedback on the proposed terms of reference.</p> <p>Implementation Team, working with the Manager, Customer Service & Issues Management, to conduct an FTE analysis to determine staffing requirements for new Council liaison function. Consider coordinating this activity with the implementation of Recommendation 2.2.</p> <p>Executive Steering Committee to approve terms of reference, including number of positions.</p>	<p>Manager, Customer Service & Issues Management, working with the Human Resources Division, to develop job descriptions for the Council liaisons.</p> <p>CBO to approve job descriptions.</p> <p>Manager, Customer Service & Issues Management, working with the Human Resources Division, to undertake recruitment for the Council liaison positions.</p> <p>Onboard new Council liaisons.</p>	<p>Council liaisons to establish monthly one-on-one meetings with each City Councillor to review ward-specific issues and discuss priorities for the next reporting period.</p>	<p>CBO and Council liaisons to meet annually with each City Councillor to review achievements and issues from past year and align on priorities for next year.</p>
2.5	Create new supervisory positions to enhance management capacity and staff career development opportunities.	<p>Collect information about existing supervisory positions, including job levels, job profiles, roles and responsibilities and locations within Toronto Building to inform resource estimates and development of job descriptions.</p> <p>As part of the detailed organizational design work included in Recommendation 2.2, identify the location of supervisory positions within each functional area. Consider including a supervisory position within each manager-level</p>	<p>Implementation Team to identify training needs to support onboarding of new supervisory positions. Develop new training and onboarding materials as necessary.</p>	<p>Recruit and onboard new supervisory positions. Recruitment should be led by relevant directors from each functional area and supported by the Implementation Team.</p>	



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
		<p>unit to provide support to the manager as well as career development opportunities within each functional unit.</p> <p>DMT to approve number and location of new supervisory positions.</p> <p>Implementation Team, working with Human Resources Division, to develop job descriptions for new supervisory positions and undertake recruitment. Recruitment should be aligned with the transition plan described in Recommendation 2.1. Incorporate the roles and responsibilities included in Recommendation 2.5.</p> <p>Directors within each functional area to approve relevant job descriptions.</p>			
3.1	Align service delivery models with application complexity and customer type to improve customer service, application quality and overall performance.	<p>Implementation Team to gather data on application volumes by permit and inspection type to inform development of detailed streaming matrix.</p> <p>CBO to engage industry to gather feedback on building services streaming matrix included in Recommendation 3.1.</p> <p>Revise high-level streaming matrix incorporating industry feedback and data analysis.</p> <p>Engaged partner divisions to explore opportunities for bundled service delivery.</p>	<p>Implementation Team to develop standard operating procedures for building permit streaming matrix, including detailed service delivery models, KPIs and service levels for each stream and clearly defined criteria to sort permit and inspection types into streams.</p> <p>DMT to approve standard operating procedures.</p> <p>Implementation Team to create transition plan to implement building services streaming matrix.</p> <p>Consider a phased approach and/or the creation of a pilot program to test and refine the model before a complete rollout (e.g., a pilot program</p>	<p>Transition to new streaming matrix (or implement pilot program).</p> <p>Manager, Business Planning, Performance & Intelligence to begin monthly reporting of KPIs by stream.</p>	<p>Manager, Business Planning, Performance & Intelligence to establish annual review of building services streaming matrix.</p>



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
			for simple residential and/or commercial permits) The transition plan should be integrated with the overarching change management and communications strategy identified in Recommendation 3.1 and include specific communications for the public, permit holders, City Councillors and other stakeholders.		
3.2	Adopt modern regulatory approaches to expedite service delivery, build trust with industry and focus resources on the highest impact activities.	DMT to confirm and prioritize opportunities to adopt modern regulatory approaches identified in Recommendation 3.2. Prioritization should include an assessment of dependencies (i.e., what needs to be in place before each opportunity can be pursued) and a high-level schedule to implement the prioritized opportunities. Engage the Province of Ontario and North American peer municipalities to identify the legislative and regulatory changes required to implement the modern regulatory approaches identified in Recommendation 3.2.	Implementation Team, working with the Permit Team and the Inspections Team, as necessary, to lead a detailed review of each opportunity, including: <ul style="list-style-type: none">— Expected outcomes;— Resourcing impacts;— Costs;— Risks; and,— Implementation challenges. DMT to review detailed assessments and confirm opportunities to implement.	Where opportunities to adopt modern regulatory approaches are confirmed, Implementation Team, working with relevant Directors, to draft a transition plan. Consider testing opportunities through a pilot before a complete rollout. Transition plan to be approved by DMT.	Ongoing implementation of modern regulatory approaches.

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
3.3	Review and implement outstanding business process improvement opportunities and establish a formal continuous improvement program.	<p>Implementation Team to review recommendations from previous third-party business process reviews, identifying recommendations that remain relevant, and create a prioritized list for approval by DMT.</p> <p>DMT to approved prioritized list of recommendations.</p> <p>Implementation Team to incorporate recommendations approved by DMT into the Program Review implementation plan. Priority should be given to recommendations that align with the Division's new operating model and can be implemented with relatively little effort.</p>	<p>Implementation Team, working with Director, Business Planning, Performance & Workforce Development, to review existing continuous improvement activities to determine gaps and other resource needs.</p> <p>Implementation Team, working with Director, Business Planning, Performance & Workforce Development, to create a roadmap to stand up formal continuous program.</p> <p>The roadmap should include resourcing needs, a timeline, reporting structure and an initial work plan. Consider including relevant recommendations from previous business process reviews in the initial workplan.</p> <p>DMT to approve roadmap.</p> <p>Implement roadmap and stand up continuous improvement program.</p>		<p>Director, Business Planning, Performance & Workforce Development to report annually to DMT on continuous improvement program.</p>
4.1	Clearly articulate and communicate Toronto Building's regulatory role and responsibilities to facilitate the development of a	<p>DMT, supported by the Implementation Team, to develop a draft charter outlining Toronto Building's regulatory mandate and other elements outlined in Recommendation 4.1.</p> <p>Implementation team to engage Toronto Building staff and industry partners, including industry associations, to review</p>	<p>Incorporate the charter into staff onboarding / training and industry educational activities.</p>	<p>Include elements of the charter in relevant divisional planning and strategy documents.</p>	<p>DMT to review the charter every two years and update as required.</p>



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
	shared divisional culture.	the draft charter, particularly stakeholder roles and responsibilities. Implementation team to incorporate stakeholder feedback into revised charter for approval by DMT. Communicate the final charter internally and externally and make available in a publicly accessible location.			
4.2	Invest in a dedicated staff training and development program to improve consistency, staff retention and a shared understanding of Toronto Building's regulatory mandate.	Implementation Team to inventory existing training and development programs, modules and materials. Implementation Team, working with the Director, Business Planning, Performance & Workforce Development, to conduct a needs analysis to identify training and development needs of staff. Engage Toronto Building staff in the assessment through online surveys or similar mechanisms. Building off existing resources where possible, Implementation Team, working with the Director, Business Planning, Performance & Workforce Development, to develop a training and development roadmap. The roadmap should include resourcing needs, a timeline, reporting structure and an initial rollout plan for new training and development tools. DMT to approve roadmap.	Implement, monitor and adjust new training and development program.		Director, Business Planning, Performance & Workforce Development to implement annual staff survey to help determine effectiveness of existing training and development program and to determine future needs.
4.3	Establish a formal job rotation program to increase cross-functional coordination and staff development opportunities.	Engage staff to gather feedback on the most beneficial / desirable job rotations.	Implementation Team to develop a detailed proposal for a job rotation pilot, including: — Specific positions; — Length of job rotation; — Training and support needs;	Director, Business Planning, Performance & Workforce Development to implement and monitor pilot program. Implementation Team to evaluate success of job rotation pilot and, if successful, develop	Implement and monitor formal job rotation program following DMT approval. Director, Business Planning, Performance & Workforce Development to report annually to DMT and Toronto Building staff on job rotation program.

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
			<ul style="list-style-type: none"> — Criteria to identify candidates; — Costs; — Risks and mitigation measures; and, — KPIs to evaluate the success of the pilot. <p>DMT to approval job rotation pilot.</p>	detailed proposal for more formal job rotation program.	
4.4	Improve consistency, training and onboarding by creating a centralized, easy-to-use staff portal.	<p>Implementation Team, working with relevant staff, to inventory information identified in Recommendation 4.4., identifying location and accessibility.</p> <p>Engage staff to identify additional information that would be valuable to be included in the portal.</p> <p>Implementation Team to consult the City's Chief Information Officer to identify opportunities to leverage existing City resources for the online portal.</p>	<p>Implementation Team, working with Director, Building Policy & Partnerships, to develop a roadmap to centralize information previously identified in online portal.</p> <p>Roadmap should identify a staff lead accountable for the online portal and a process to identify additional information for the portal and to keep that information up to date.</p>	Implementation team to begin executing roadmap.	Director, Building Policy & Partnerships should conduct regular audits to assess the relevance and use of the online staff portal.
5.1	Improve customer satisfaction and application quality through a formalized industry education program.	<p>Inventory existing industry education resources / programs, including past programs, to identify education resources and tools that can be reused or repurposed.</p> <p>Director, Building Policy & Partnerships, supported by Implementation Team, to engage industry associations to identify potential topics and tactics. Use the opportunities in Recommendation 5.1 as a starting point for engagement.</p> <p>In addition to industry association engagement, consider an online survey to gather feedback directly from</p>	<p>Director, Building Policy & Partnerships, to develop an industry education roadmap, building off existing resources where possible, which should include: resourcing, topics, tactics and an initial one-year work plan.</p> <p>Align the roadmap with the building services streaming model included in Recommendation 3.1. Consider focusing first-year efforts on a single</p>	<p>Director, Building Policy & Partnerships to assess effectiveness of initial work plan and develop subsequent work plan for approval by DMT.</p> <p>Engage industry to help determine effectiveness of initial industry education.</p>	<p>Director, Building Policy & Partnerships to conduct an annual review of industry education program. Include a mechanism to gather industry and applicant feedback on the effectiveness of education programming and to identify additional topics and tactics.</p> <p>Consider establishing a formal industry recognition program to acknowledge strong</p>

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
		<p>applicants, including one-time applicants, about applicant needs.</p> <p>Consult Toronto Building staff to identify training and education that would help improve application quality.</p>	<p>building services stream as a pilot project.</p> <p>DMT to approve roadmap and Director, Building Policy & Partnerships to begin implementation.</p>		<p>performance, enhance trust and improve application quality.</p>
5.2	Create a formal City-industry advisory committee (or committees) to build trust, foster collaboration and address common issues.	<p>Director, Building Policy & Partnerships to develop a draft terms of reference setting out the committee's mandate, membership, meeting cadence and first year work plan.</p> <p>Identify opportunities to include elements related to the Program Review implementation in the work plan (e.g., consultations related to Recommendations 5.1 or 5.3).</p> <p>Engage industry associations to review and refine draft the terms of reference.</p> <p>Revise terms of reference and seek approval from DMT.</p>	<p>Begin advisory committee meetings.</p> <p>Terms of reference, meeting agendas and meeting minutes should be made available in a publicly accessible location.</p>	<p>Director, Building Policy & Partnerships to review effectiveness of advisory committee.</p> <p>Consider establishing additional advisory committees as identified in Recommendation 5. (e.g., an advisory committee for residents' associations).</p>	<p>Director, Building Policy & Partnerships to lead annual review of advisory committee(s), including effectiveness, membership and work planning for the coming year.</p>
5.3	Develop new customer-facing tools to reduce compliance costs and improve transparency, consistency and application quality.	<p>Director, Building Policy & Partnerships, working with the Implementation Team, to inventory existing customer facing tools to identify tools that i) remain relevant and ii) can be repurposed or updated.</p> <p>Director, Building Policy & Partnerships to engage industry to i) assess effectiveness of existing tools and ii) identify opportunities to create additional tools.</p> <p>Consult Toronto Building staff to identify tools that would help improve application quality and/or are frequently requested by applicants.</p>	<p>Director, Building Policy & Partnerships to develop a workplan to develop and/or update customer-facing templates, guidelines and checklists.</p> <p>Align the workplan with the building services streaming model included in Recommendation 3.1.</p> <p>DMT to approve workplan and Director, Building Policy & Partnerships to begin implementation.</p>	<p>Include customer-facing tools as a regular agenda item for the industry advisory committee identified in Recommendation 5.2.</p>	<p>Director, Building Policy & Partnerships should conduct annual audits of customer-facing tools to assess effectiveness. Audits should include staff and industry feedback and identify opportunities to i) develop additional tools and ii) refine existing tools.</p>

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
		Identify an accessible online location and centralize all existing tools that remain relevant and effective at this location.			
6.1	Accelerate the modernization of Toronto Building's workflow management system.	<p>Implementation Team to consult the City's Chief Information Officer to identify opportunities to accelerate the modernization of Toronto Building's workflow management system.</p> <p>Ensure the capabilities included in Recommendation 6.1 are incorporated into the modernized system.</p> <p>Consider opportunities to leverage Toronto Building's reserve fund help accelerate the transition.</p>			
6.2	Address staff technology needs to improve performance and reduce staff frustration.	<p>Director, Business Planning, Performance and Workforce Development to inventory existing technology used by plan review and inspection staff to identify technology that i) should be replaced / updated and ii) does not need to change.</p> <p>Director, Business Planning, Performance and Workforce Development, working with the Technology Services Division, to engage plan review and inspections staff to determine current and future technology needs.</p>	<p>Director, Business Planning, Performance and Workforce Development, working with Technology Services Division, to develop a prioritized technology roadmap building on the technology inventory and needs assessment.</p> <p>The roadmap should be integrated with the modernization of Toronto Building's workflow management system; however, consider identifying quick wins and other technology improvements that can precede the broader modernization.</p> <p>Roadmap to be approved by Executive Steering Committee.</p> <p>Engage the Province of Ontario and North American peer municipalities to identify and action any legislative and regulatory changes necessary to</p>	<p>Director, Business Planning, Performance and Workforce Development, working with Technology Services Division, to begin implementing roadmap.</p> <p>Consider opportunities to use Toronto Building's reserve fund to accelerate technology improvements.</p>	

Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
			implement proposed technology improvements.		
7.1	Explore shifting to the rate-based budget process to improve operational flexibility and resilience.	<p>Director, Business Planning, Performance and Workforce Development, working with the Office of the Chief Financial Officer and Treasurer (CFO) and the Director, Policy, Planning, Finance & Administration (PPFA), to conduct a formal options analysis for shifting to the rate-based budget process. The analysis should include:</p> <ul style="list-style-type: none"> — Benefits / outcomes; — Dependencies; — Implementation challenges; and, — Risks and mitigation measures. <p>Engage the Toronto Water Division and the Solid Waste Management Services Divisions in the options analysis to help identify potential benefits, dependencies and implementation challenges.</p>	<p>DMT to review options analysis and identify path forward.</p> <p>If shift to rate-based budget process approved, Director, Business Planning, Performance and Workforce Development to develop formal transition plan working with the CFO and PPFA</p>	Implement transition to rate-based budget process (if analysis supports transition).	
7.2	Implement a leading practice cost allocation methodology to improve transparency and support enhanced performance management.	<p>Director, Business Planning, Performance and Workforce Development, working with the CFO and PPFA, to develop a workplan to implement activity-based costing. The work plan should include:</p> <ul style="list-style-type: none"> — Determining cost allocation categories; — Projecting resource requirements and work volumes; — Determine direct and indirect costs; and, — Allocating direct and indirect costs as well as reserve contributions to respective user fees or service categories. 	DMT to approve work plan to implement activity-based costing, and Director, Business Planning, Performance and Workforce Development to begin implementation.		



Implementation Plan

#	Recommendation	1-3 Months	4-6 Months	7-12 Months	+12 Months
		Additional information about implementing activity-based costing is included in our Task 2 Report. As part of this work, engage the CFO and PPFA to formally document the basis for corporate chargers.			
7.3	Formally document the basis for corporate charges to improve transparency and support the Division’s financial reporting processes.	Director, Business Planning, Performance and Workforce Development to work with the CFO and PPFA to document the basis for indirect costs and unfunded liabilities.	Once documented, evaluate the current basis for corporate charges and identify any changes necessary to improve the transparency of Toronto Building’s financial reporting processes.	Work with the CFO and PPFA to implement any changes related to corporate charges into Toronto Building’s financial reporting processes, including the Annual Report.	

Appendix A: Current State Challenges



Challenges

This Appendix presents 21 challenges impacting the efficiency, effectiveness and sustainability of Toronto Building's current operating model. The challenges are organized into the six layers of our assessment framework and grounded in our stakeholder engagement activities, document review and data analysis. Additional information about our assessment framework and evidence base is included in Chapter 2. The challenges included in this Appendix were also included in our Interim Report.

Internal and external stakeholders also identified several divisional strengths, including:

- Unrivalled technical knowledge of the *Building Code* and its application to complex building projects and building sites;
- Excellent delivery of core services, fulfilling the Division's regulatory life and safety mandate;
- A "get it done" attitude that has allowed the same number staff to successfully manage consistently increasing workloads; and,
- A strong track record of consistently meeting service levels for plan review and inspections.

Delivery & Regulatory Model

This slide summarizes our findings related to the delivery and regulatory model layer of our assessment framework. This layer refers to the approaches used to deliver Toronto Building's services and fulfill the Division's regulatory mandate.

#	Challenge
1.1	Competing visions of the Division's mandate and purpose <ul style="list-style-type: none">— Toronto Building does not have a widely shared vision of its mandate and purpose. Staff are generally divided into two groups. One group believes that the Division should be strictly focused on regulatory compliance and core service delivery. For this group, Toronto Building is a regulator that ensures compliance with the Building Code.— The other group, including many staff at or above the Manager level, believes that the Division should embrace a broader mandate centred on helping the City achieve its city-building objectives by working in partnership with industry and other City divisions. For this group, Toronto Building helps build the City through partnerships and a more customer-focused, enabling approach to the Building Code.— These competing understandings contribute to the divided divisional culture identified in Finding 4.3, drive staff and customer frustration and create obstacles to modernization and cultural change.
1.2	Non-differentiated approach to risk <ul style="list-style-type: none">— Toronto Building does not take a risk-based approach to plan review or inspections. Applications are generally processed and resourced in the same way despite differences in the risk profiles of applicants and applications.— This one-size-fits-all approach results in a suboptimal allocation of staff effort and exacerbates the workload impacts of high application volumes.

Challenges

Services & Processes

This slide summarizes our findings related to the services and processes layer of our assessment framework. This layer refers to the internal and external services delivered by Toronto Building and the processes, practices and procedures used to deliver those services.

#	Challenge
2.1	Process variation across districts and individuals <ul style="list-style-type: none"> — The zoning review, plan review and inspections processes can vary significantly across Districts and individuals, from zoning by-law interpretations to Building Code interpretations to on-site inspection processes. — These process-related inconsistencies reduce predictability and transparency for applicants, a significant point of applicant frustration, creates barriers to staff movement across district boundaries and contributes to the competing visions of the Division's mandate and purpose. — This challenge negatively impacted the Division's response to the COVID-19 service disruption by limiting the Division's ability to flexibly deploy resources.
2.2	Increasing application volumes and application complexity <ul style="list-style-type: none"> — Over the last ten years, building permit applications have increased by 33% while approved FTEs have increased by 4%. In the south district, the Division's busiest, application volumes have increased by 47% over the same period while approved FTEs remain unchanged. — This gap results in workload pressures, particularly for frontline and manager-level staff, and is a significant source of staff frustration. The complexity of buildings and building sites is also increasing, compounding the workload impacts of increasing application volumes. These workload pressures create a significant barrier to the Division's capacity to actively participate in broader city-building initiatives with other divisions.
2.3	New non-traditional services <ul style="list-style-type: none"> — Toronto Building is delivering new services that go beyond its traditional regulatory mandate, such as customer and public-facing services related to the City's Residential Infill Construction Strategy and, increasingly, an onsite co-ordination function for other divisions. — These new services contribute to the workload pressures associated with increasing application volumes identified in Finding 2.2 and the tension between competing visions of Toronto's Building's purpose and mandate identified in Finding 1.1.
2.4	Previous process improvement initiatives not implemented <ul style="list-style-type: none"> — While Toronto Building has undertaken recent process improvement initiatives, including external reviews of the plan review and inspections processes conducted in 2015, many of the recommendations resulting from these initiatives have not been implemented. — Internal stakeholders indicated that implementation was not sufficiently resourced and that staff time for continuous improvement is limited given the workload pressures identified in Findings 2.2 and 2.3.

Challenges

#	Challenge
2.5	Internal approval processes <ul style="list-style-type: none"> — Internal approval processes for training, education, conferences, reimbursements and career development can be complex, slow and time consuming. — While many approval processes are driven corporately, they were consistently identified by front line staff as an obstacle to growth and development.
2.6	Knowledge management function <ul style="list-style-type: none"> — Knowledge management practices are decentralized, highly informal and vary significantly across districts and individuals. For example, policy changes and interpretive decisions are not stored in a central, easily accessible location. These informal knowledge management practices increase staff rework and contribute to the district and individual process variation identified in Finding 2.1. From a customer perspective, these informal practices reduce transparency and predictability, key customer painpoints identified in Findings 6.1 and 6.2. — The COVID-19 service disruption and move to virtual work exacerbated this challenge. In the past, staff could share knowledge in-person at the office through informal interactions. Virtual work makes these informal interactions less common, increasing the need for a centralized, accessible knowledge management system.

Organization

This slide summarizes our findings related to the organization layer of our assessment framework. This layer refers to the division's organizational structure, including the roles and responsibilities of staff and different functions.

#	Challenge
3.1	Inflexible organizational model <ul style="list-style-type: none"> — Industry and staff consistently identified the district-based organization model as a core divisional challenge. — The district model prevents resources from being allocated according to need and contributes to the process inconsistencies identified in Finding 2.1. The district model also contributes to the competing visions of the Division's mandate and purpose identified in Finding 1.1 by sustaining distinct, district-specific cultures and approaches. — The district model was also identified as a major obstacle to a coordinated, Division-wide response to the COVID-19 service disruption.
3.2	Flat organizational structure <ul style="list-style-type: none"> — The management structure in the Division's four operational districts is relatively flat, with wide space of control that increases managers' operational workloads and limit the time available for more strategic activities, including staff development and work planning.

Challenges

#	Challenge
	Frontline staff also identified the Division's flat organizational structure as a potential barrier to career advancement, and a risk to morale and staff retention.
3.3	Policy, communications, strategic planning, quality assurance and risk management functions <ul style="list-style-type: none"> — Toronto Building's policy, communications, strategic planning, quality assurance and risk management functions are under resourced and, in many cases, immature. While the Chief Building Official's (CBO) Office generally delivers or co-ordinates many of these functions, they are not well resourced and as a result tend to be carried out informally as a "side of desk" activity. — This gap contributes to the workload pressures identified in Finding 2.2, limits the Division's capacity to pro-actively address legislative and technological change and creates a barrier to participating in broader city-building initiatives and pursuing modern regulatory approaches. It also limits the Division's quality assurance and risk management capabilities.

People, Talent & Culture

This slide summarizes our findings related to the people, talent and culture layer of our assessment framework. This layer refers to the approach and strategies to support staff engagement, professional development and attraction and retention of strong and effective resources.

#	Challenge
4.1	Slow and complex hiring process <ul style="list-style-type: none"> — Hiring processes are slow, complex and time consuming, a significant pain point for staff at all levels. The roles and responsibilities of the City's corporate human resources functions are unclear, increasing the workload on managers. As a result, vacancies are not filled consistently or quickly, exacerbating the impacts of staff turnover and contributing to the workload pressures identified in Finding 2.2.
4.2	Limited training and development opportunities <ul style="list-style-type: none"> — Staff consistently characterized training and career development opportunities as limited and informal, negatively impacting staff morale and retention. New staff are inconsistently supported, contributing to the process inconsistencies identified in Finding 2.1 and the impacts of the decentralized knowledge management function identified in Finding 2.6.
4.3	Competing divisional cultures and approaches to customer service <ul style="list-style-type: none"> — Similar to the competing visions of Toronto Building's mandate and purpose, the Division does not have a widely shared culture, particularly as it relates to customer service and how the Division approaches and engages with its customers. While some staff take a strict, compliance-focused approach to industry, others take a more enabling, pro-active approach that focuses on helping industry achieve compliance.

Challenges

#	Challenge
	<ul style="list-style-type: none"> — These competing approaches to customer service drive staff and applicant frustration, reinforce the competing visions of Toronto Building's mandate and purpose identified in Finding 1.1 and create barriers to modernization and cultural change.

Technology & Information

This slide summarizes our findings related to the technology and information layer of our assessment framework. This layer refers to the use of data, information, analytics and technology that support Toronto Building's service delivery and regulatory mandate.

#	Challenge
5.1	Legacy technology systems <ul style="list-style-type: none"> — The Division's core technology platform, IBMS, is not current and the Division's electronic service delivery program, while initially successful, has not been fully implemented. Plan review and inspections staff consistently identified these legacy technology systems as slow and highly manual, increasing the administrative burden on frontline staff and adding to workload pressures. COVID-19 highlighted the limitations of current systems, which created a barrier to working remotely and collaborating with staff and applicants outside of the office.
5.2	Business intelligence function <ul style="list-style-type: none"> — Toronto Building has a strong and consistent track record of achieving its key performance indicators. For example, in 2019, 95% of complete applications and 94% of inspections were conducted within service level standards. However, the Division's business intelligence function could be further strengthened. The business intelligence function is currently provided informally and on an ad-hoc basis through the CBO's Office and Business Operations with limited resourcing and scope. — Managers consistently indicated that the Division lacks the modern tools, technology and information necessary to proactively monitor and manage individual and district-level performance as well as the application pipeline.

Customer

This slide summarizes our findings related to the customer experience layer of our assessment framework. This layer refers to the experience of applicants and other beneficial clients related to Toronto's Building's services.

#	Challenge
5.1	Application status and related information <ul style="list-style-type: none"> — Application status and related information (e.g., whether a permit has been reviewed, the contact information for staff assigned to an application) is not easily accessible to applicants

Challenges

#	Challenge
	or the public, a significant industry pain point and barrier to pro-actively identifying and managing issues.
5.2	Application and process requirements <ul style="list-style-type: none"> — Industry stakeholders indicated that application requirements are not consistently or clearly communicated, increasing the time and cost of the permit and inspections process. Industry identified useful information like changes in zoning interpretations or application requirements are not shared proactively, which in some cases results in application errors and churn that could have otherwise been avoided. — 79% of respondents to our industry survey stated that the availability of information about the building permit and inspection process was either ineffective or in need of improvement.
	Varying application quality <ul style="list-style-type: none"> — Toronto Building serves a broad range of customer types, from sophisticated industry veterans to one-time applicants. Application quality can vary significantly, particularly for one- and first-time applicants. Poor quality applications increase staff workloads and contribute to multiple application review cycles, while the broad range of customer types exacerbates the Division's generally uniform approach to plan review and inspections identified in Finding 1.2.

Appendix B: Organizational Structure Details



Organizational Structure

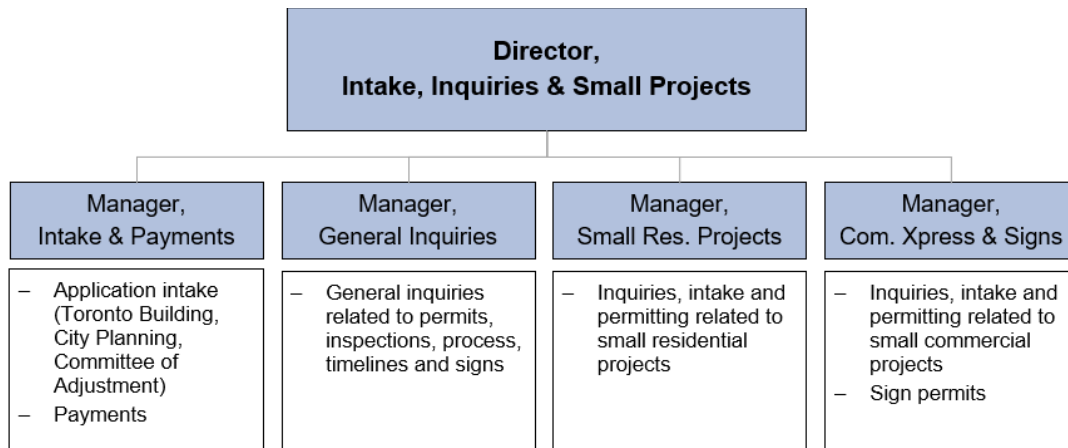
This Appendix presents high-level manager structures for each section of the organizational model in Recommendation 2.2.

The material included in this Appendix was developed through our co-design process with Toronto Building's leadership team. As noted in Chapter 4, additional analysis is required to identify the appropriate number of manager structures and associated staffing levels.

Intake, Inquires & Small Projects

Figure 18 presents a draft manager structure for the Intake, Inquiries & Small Projects section. The manager-level units are organized by function on a City-wide basis, and the section includes two “one-stop-shops” providing inquiries, intake and permitting for small i) residential and ii) commercial projects. Sign permits are integrated with small commercial projects.

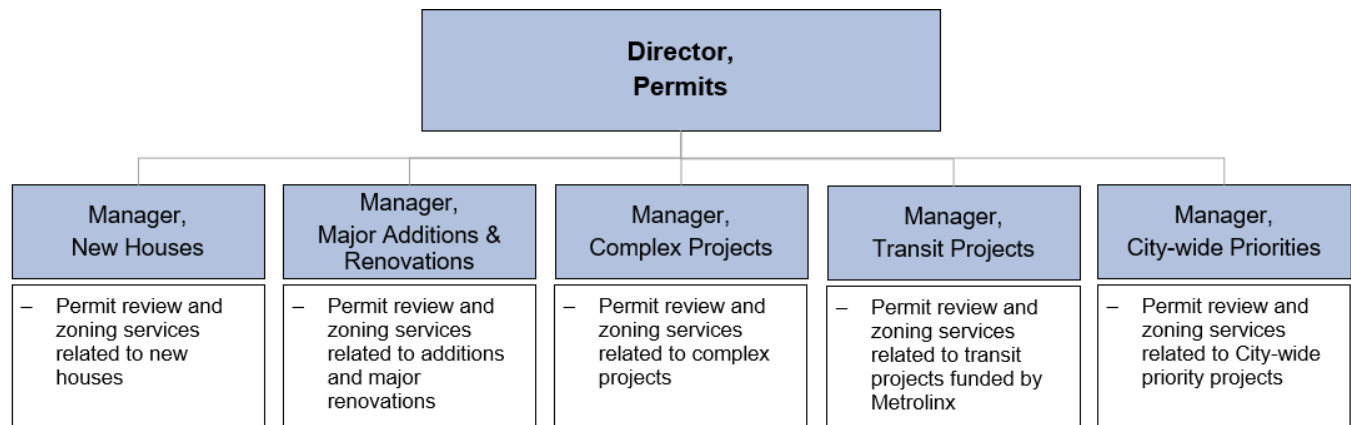
Figure 18: Intake, Inquiries & Small Projects Sections



Permits

Figure 19 presents a draft manager structure for the Permits section. The manager-level units are organized by building services stream on a City-wide basis.

Figure 19: Permits Sections

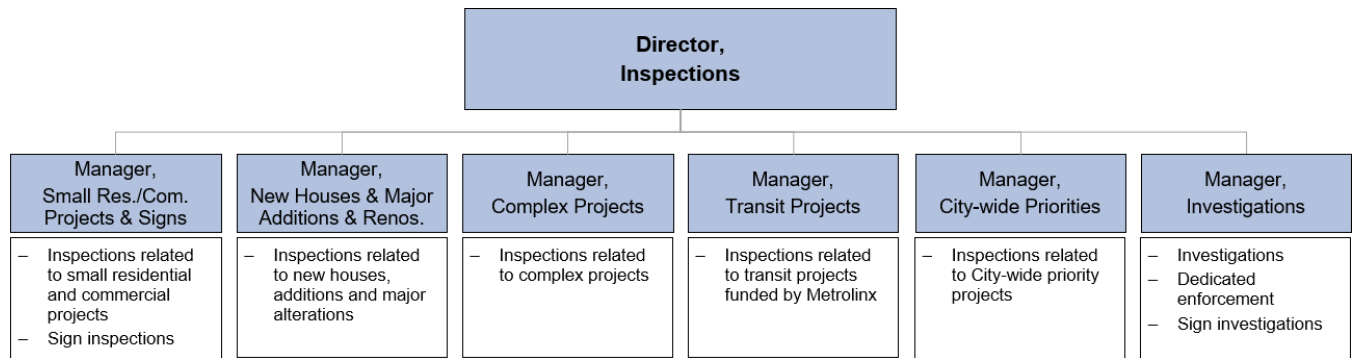


Organizational Structure

Inspections

Figure 20 presents a draft manager structure for the Inspections section. Mirroring the Permits section, most manager-level units are organized by building services stream on a City-wide basis, though some streams have been combined. Sign inspections are integrated with inspections for small residential and commercial projects. Investigations are organized functionally on a City-wide basis and include sign investigations. Manager-level units may be further subdivided into geographic areas to support efficient work and staff management.

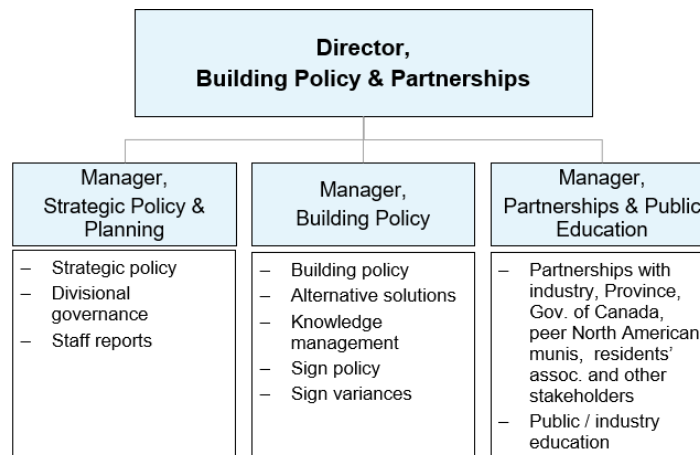
Figure 20: Permits Sections



Building Policy & Partnerships

Figure 21 presents a draft manager structure for the Building Policy & Partnerships section. Manager-level units are organized functionally on a City-wide basis.

Figure 21: Building Policy & Partnership Section

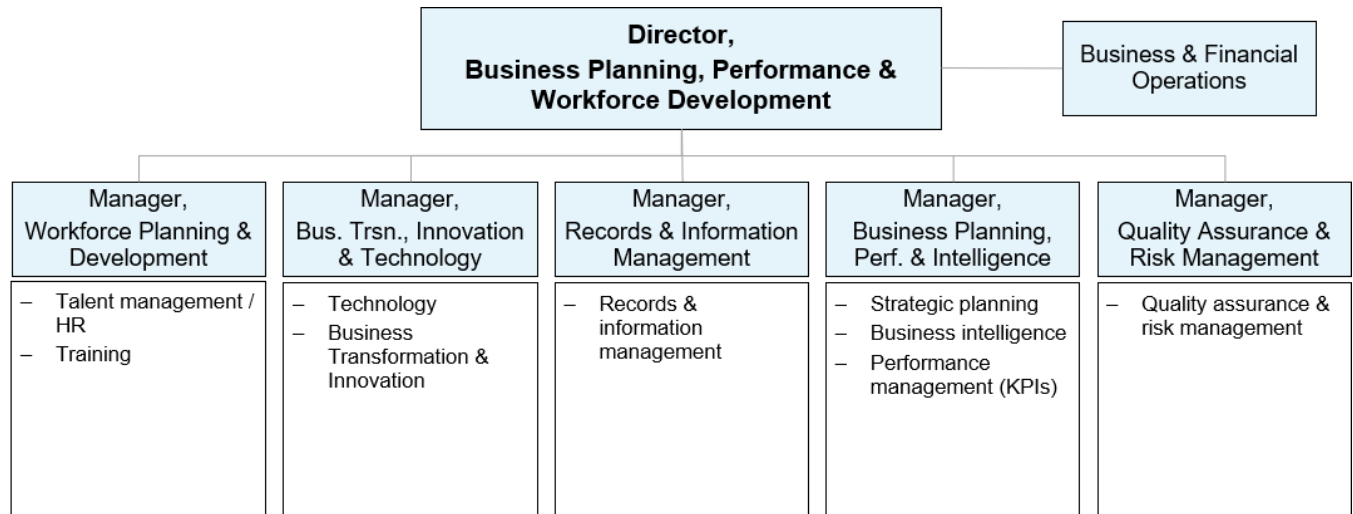


Organizational Structure

Business Planning, Performance & Workforce Development

Figure 22 presents a draft manager structure for the Business Planning, Performance & Workforce Development section. Manager-level units are organized functionally on a City-wide basis. Staff supporting business and financial operations report directly to the Director.

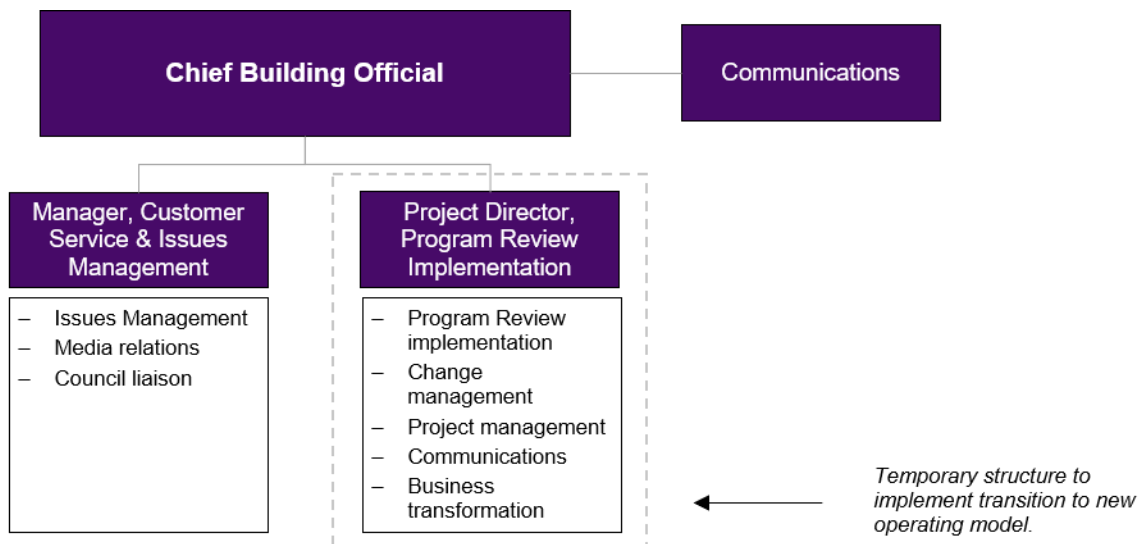
Figure 22: Business Planning, Performance & Workforce Development Section



CBO's Office

Figure 23 presents a draft manager structure for the CBO's Office. There is one manager-level unit, and communications staff report directly to the CBO. Staff supporting the Program Review implementation, a temporary structure, also report directly to the CBO.

Figure 23: CBO's Office





Organizational Structure

Appendix C: Jurisdictional Research



Jurisdictional Research

This section summarizes our jurisdictional research related to Toronto Building's operating model. It includes a summary of our approach and five success factors used by other jurisdictions to support the delivery of modern, customer-focused building services.

Approach

The purpose of our jurisdictional research was to identify leading practices used by other building regulators to inform the development of Toronto Building's new operating model. Given the unique complexity and volume of building activity in Toronto and the varying legislative structures that support building regulators across jurisdictions, we did not conduct a side-by-side comparison of relative performance.

Rather, our research focused on identifying emerging trends and what each building authority does well. We used these trends and leading practices as inputs into the co-design process to support the development of the Division's new operating model.

Our research areas were aligned with the five pillars of Toronto Building's new operating model, presented in Chapter 3:

- Vision;
- Organization;
- Process;
- People & Culture; and,
- Customers.

We used five criteria to identify a shortlist of jurisdictions for further research. The criteria are presented in Figure 24.

Figure 24: Jurisdictional Research Criteria

#	Criteria	Description
1	Population size	The jurisdiction's current population size.
2	Development volume	The overall volume of development activity in the jurisdiction, rated high, medium or low.
3	Development complexity	The complexity of development activity in the jurisdiction (e.g., greenfield, infill high-rise, etc.), rated high, medium or low.
4	Recent Program Review or similar review	Whether the jurisdiction recently completed an operational, organizational or other review similar to the Toronto Building Program Review.

Jurisdictional Research

#	Criteria	Description
5	Reputation for operational or regulatory innovation	Whether the jurisdiction has a reputation among building regulators for innovative approaches to service delivery, regulatory enforcement or other building services matters.

Applying these criteria, we identified 11 jurisdictions in Canada, the United States and Australia for further research:

1. Ottawa
2. Hamilton
3. Mississauga
4. Calgary
5. Edmonton
6. Vancouver
7. Chicago
8. Seattle
9. Los Angeles, California
10. New York City, New York
11. State of Victoria, Australia

Our research included a combination of desktop research using publicly available materials and interviews with senior officials in each jurisdiction, including Chief Building Officials or equivalent positions. Interviews typically lasted 60 minutes, and interviewees were provided with discussion guides in advance. Our research took place in spring 2020 and, in some cases, we were unable to complete interviews due to disruptions related to the COVID-19 pandemic in target jurisdictions.

To support our jurisdictional research, we also conducted a high-level literature review of emerging trends related to public sector regulatory authorities and the building services sector.

In addition to the jurisdictional research included in this section, our financial analysis included a review of the reserve fund practices of 11 Ontario municipal building departments and three other regulatory bodies.¹⁰ This research focused narrowly on reserve fund policies and was used to inform our financial model recommendations included in Chapter 3.

Common Challenges

The challenges presented in Appendix A are not unique to Toronto Building. Many of the building regulators included in our research identified a similar set of core challenges, including:

¹⁰ Our financial research included the following municipal building departments and other regulatory bodies: Kingston, Cambridge, Halton Hills, Markham, Ottawa, Mississauga, Vaughan, Brampton, Waterloo, Guelph, Hamilton, the Technical Standards and Safety Authority, Toronto Water and York Water and Wastewater.

Jurisdictional Research

- Culture: shifting from a traditional, enforcement-focused culture to a more enabling, customer-focused culture;
- Building complexity: the increasing complexity of buildings, construction technology and building sites;
- Customer complexity: servicing a broad range of customers with different levels of experience and need, from onetime applicants to experienced industry professionals;
- Consistency: delivering consistent services across individuals and organizational units as well as developing and maintaining consistent interpretations of technical and policy documents;
- Talent: attracting, developing and retaining staff as well as succession planning, particularly given generational turnover; and,
- Technology: replacing legacy systems, addressing staff technology needs and developing easy-to-use customer-facing tools.

Many interviewees were also grappling with challenges related to the COVID-19 pandemic, including the rapid deployment of technology to support remote work and service delivery.

Success Factors

This section presents five success factors to help enable modern, customer-focused building services. While specific approaches varied, these factors were shared by a majority of the interviewees included in our research. We used the five success factors as an input into our co-design process and the identification of improvement opportunities.

1

Focus on the customer to enable cultural change.

Cultural change was a common theme across our jurisdictional research. Interviewees consistently described embracing a more customer service-focused culture as both an important organizational objective and a significant challenge given traditional understandings of the role and responsibilities of a building regulator as “arms-length” and “independent.”

Nearly all interviewees described cultural change as a gradual process that requires a medium to long term time horizon and a variety of different tactics. While specific approaches varied consistently across jurisdictions, a consistent strategy identified by a majority of interviewees was a strong focus on engaging and understanding building services customers. Common approaches used to engage and understand customers included:

- **Customer service training.** Many jurisdictions identified third-party customer service training as an effective tool to promote a more customer-focused culture. Interviewees stressed the importance of providing customer service training to all staff (and not just frontline staff) and incorporating customer service training into onboarding activities. For example, one interviewee noted that the first task of every new employee is to read a short book on customer service excellence.
- **Staff engagement with industry.** Several jurisdictions included in our research actively identified and created opportunities for staff to engage with industry and industry representatives outside of the normal course of business. As one interviewee noted, informal interactions can help staff better understand “where the customer is coming from.” Specific tactics identified by interviewees

Jurisdictional Research

included: annual awards nights that bring staff and industry together, formal committees focused on the resolution of particular issues and standing committees for different customer groups (e.g., renovators, developers, architects, etc.).

Alongside customer service training and staff engagement with industry, several jurisdictions also identified formal regulatory charters as an effective tool to facilitate cultural change. A regulatory charter is a document that clearly articulates to staff, industry and other stakeholders a building authority's regulatory approach, including regulatory objectives and approach to compliance and enforcement. A number of interviewees noted that regulatory charters provide an opportunity to "put on paper" what great customer service looks like in a regulatory context, providing clear direction to staff and helping set staff expectations.

2

Use modern regulatory approaches to help make the best use of limited resources and improve application quality.

All of the jurisdictions included in our research described increasing volumes of development activity and relatively flat staffing levels as a core challenge. Modern regulatory approaches were consistently identified by interviewees as an effective resource management tool, allowing building regulators to focus resources where they are most effective while often reducing the costs of compliance for applicants.

Modern regulatory approaches identified in our research included:

- **Risk-based approaches.** Several jurisdictions use risk-based analysis to guide permitting and inspection activities. These programs typically assign a risk level to different application and inspection types, and then use that risk level to guide service delivery. For example, activities associated with low risk highly repeatable application types (e.g., interior renovations of chain stores) can be streamlined or, in some cases, eliminated, allowing staff time to be reallocated to higher risk application types.
- **Behavior-based approaches.** A number of jurisdictions use the past behaviour and performance of applicants to guide permitting and inspection activities. For example, some jurisdictions provide streamlined service to applicants with a track record of high-quality applications and compliance, while others focused additional enforcement resources on applicants with a track record of noncompliance.
- **Industry partnerships.** Nearly all jurisdictions are partnering with the private sector to support the delivery of building services. These partnerships exist on a spectrum and include a range of different approaches, from private sector service delivery models to shared service delivery models, such as self-certification and self-reporting programs.

While programs varied by jurisdiction, interviewees consistently noted that modern regulatory approaches require data and the technology and supporting staff skillsets to use that data effectively.

3

Identify and develop leadership candidates and management skillsets.

The recognition that management is a unique skill set that is distinct from the technical knowledge required to deliver building services was a common theme across many of our interviews. Many of the

Jurisdictional Research

jurisdictions included in our research are experiencing significant turnover driven by a wave of manager-level retirements.

Identifying and supporting potential leadership candidates was consistently identified as a critical first step to successful succession planning and developing effective management skillsets. Specific approaches included:

- Identifying a list of high performing staff and actively identifying developmental opportunities for those staff.
- Mentoring programs that pair leadership candidates with experienced staff at or above the manager level.
- Communities of practice that allow high performing staff to meet peers from across the organization and improve their understanding of the department's services. Participating in a community of practice can also function as a recognition of high performance.
- Formal job shadowing programs that allow leadership candidates to “learn on the job” from managers. These programs can also be used to provide candidates with exposure to services and businesses that they have not previously experienced.
- Formal management training to provide specific manager-level tools and support staff as they transition into manager roles. Many jurisdictions reported success with third-party management training offered through local colleges and universities.

4 **Tailor service delivery models to application complexity and customer needs.**

Nearly all jurisdictions included in our research had developed one or more service delivery models that were tailored to specific applications and customers. While specific models varied, most jurisdictions developed approaches that relied on dedicated resources and / or distinct processes, including:

- Concierge programs that offer guided support for applicants through the permitting and inspection process coupled with accelerated timelines. These programs were often associated with specific municipal objectives. For example, one jurisdiction had a concierge program specifically for restaurant renovations, which supported a municipal objective related to small business development.
- Project advocates that provide a single point of contact for complex applications through the permitting and inspection process. These programs typically provide additional project management support to help applicant teams navigate process steps and coordinate with other city departments and related external agencies.
- Streamlined permitting processes for small, simple or low risk permitting and inspection types. These programs are often targeted at homeowners and aim to provide permits quickly with minimal application requirements and process steps.
- Dedicated preconsultation processes for complex or high risk permitting and inspection types. Many jurisdictions use preconsultation processes to align staff and applicants around project timelines and to proactively identify potential application-related risks and mitigation measures. In many cases, the meetings were provided for an additional fee.

Jurisdictional Research

Interviewees consistently identified these tailored approaches as an effective tool to improve customer service and application quality.

5

Proactively share information to reduce compliance costs and improve application quality.

Interviewees consistently identified application quality as an important enabler of fast, efficient and effective permitting and inspection services. Higher quality applications can be reviewed quickly and often require fewer revisions, reducing the churn and time associated with resubmissions.

To improve application quality, several jurisdictions developed and resourced programs to proactively share information with applicants such as:

- Easy-to-use templates for applications and associated requirements;
- Plain language reference materials to support the completion of applications (e.g., how to guides);
- Checklists to support the submission of applications and the completion of other critical process steps;
- Videos that provide a walk through of what to expect during permitting or inspection processes; and,
- Guidance documents that help applicants understand application requirements and how applications are reviewed and processed such as technical interpretations, regulatory priorities and internal policies and procedures.

Several interviewees noted that co-developing these and similar tools with industry helped ensure their effectiveness and provided an opportunity to build trust and understanding with customers.



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