

July 11, 2011

## **Core Service Review Program**

### **Service Review Program - overview**

To address Toronto's 2012 budget gap of \$774 million, City Council launched a review of all of its services and implemented a multi-year financial planning process.

The Service Review Program includes: a Core Service Review that examines which services the City should be delivering, Service Efficiency Studies that examines service levels and how specific City services are delivered to ensure the most efficient and cost-effective service delivery, and a User Fee Review that examines all user fees currently in place to determine the extent to which they are fair and collect the full cost of providing the service.

### **City Manager's Report - Core Service Review**

Findings from the Core Service Review process are being reported by the City Manager to the City's Standing Committees beginning the week of July 18.

Each Standing Committee will consider findings from the Core Service Review specific to the mandate of the Committee and make recommendations to Executive Committee for its September meeting. The City Manager will comment on Standing Committee recommendations and submit a report directly to Executive Committee for consideration.

It is Council's responsibility to make final decisions about City services and how they are delivered, and to determine which services are core to Toronto's needs.

The Core Service Review is intended to align City services and service levels in the context of the 2012 Operating Budget.

The Core Service Review looked at all services delivered by City divisions and agencies. It included an external review of City services by KPMG LLP, and a public engagement strategy coordinated by the City Manager's Office.

### **KPMG LLP review**

KPMG LLP was the successful proponent to conduct an external review of City services.

Scope of the KPMG review includes the following:

- Review and analysis of the City's approximately 105 services
- Review and analysis of approximately 50 services provided by the City's agencies, boards and commissions (to be reported to the Executive Committee meeting of July 28)
- Research and analysis of several comparable municipalities and jurisdictions.

The consultants were asked to apply a "core service filter" to determine the degree to which services are core and at what service level they are delivered.

In their assessment, the consultants considered whether a service is core or discretionary, according to the following scale:

- Mandatory (1): mandated or required by legislation from the provincial or federal governments
- Essential (2): critical to the operation of the city. Without the service, the city would stop functioning
- Traditional (3): municipal service, provided by virtually all large municipalities for many years
- Other (4): service provided by the City to respond to particular community needs, based on a positive business case, or other specialized purposes.

The consultants also looked at service level standards to understand the degree to which the standard was prescribed by legislation, set by Council, City management or by funding agreement. In addition, they compared the level of service against other municipalities and jurisdictions, and examined the City's role in delivering the service.

The KPMG findings summarize the programs, services and activities that may present an opportunity for the City to change the service.

The options and opportunities presented by KPMG in its report are included for informed decision making by Committees and Council, only, and are not specific recommendations.

The consultants' assessments are appended to the City Manager's reports to the various Standing Committees, available at <http://app.toronto.ca/tmmis/index.do>

### **Public engagement strategy**

The public engagement strategy was designed to inform, involve and consult the public on City services and ran from Wednesday, May 11 to Friday, June 17. The engagement strategy included the following components:

- Website ([torontoservicereview.ca](http://torontoservicereview.ca)) - one-stop source of background information on City services and the Service Review Program
- Interactive blog for participants to share their thoughts on service priorities
- Feedback form (available online and in hardcopy)
- Information kits available for use by organizations, individuals and City Councillors to support small group discussions and provide input
- Eight public meetings, held across Toronto at various times and days of the week, to give the public opportunities to learn about and discuss City services and give their feedback.

### **Engagement response & reporting**

The City Manager is reporting the findings and high-level analysis of the information garnered through the public engagement process to Standing Committees. The report and analysis are intended to assist Council with making decisions about core services.

The Public Consultation Report provides a high-level analysis of qualitative, quantitative and demographic information, summary reports on key service areas, themes from public discussions, email and written submissions, and community and Councillor-led sessions.

The Consultation Report and raw data collected through the consultation, including materials submitted by City Councillors, has been posted to [www.torontoservicereview.ca/results](http://www.torontoservicereview.ca/results) and linked to the City's Open Data initiative [www.toronto.ca/open](http://www.toronto.ca/open) in the hopes that others will conduct their own analysis on the input and provide their comments to the City.

A total of 13,000 people provided their input using the consultation feedback form, which included multiple choice and open-ended questions.

The City's eight public sessions provided information on City services and facilitated discussion among participants. Each two-hour session included two 40-minute discussions, a presentation from either the City Manager or the City's Chief Financial Officer on the City's operating budget, and a snapshot report on the general themes that emerged from participants in their first discussion.

Participants were asked to place 35 services in one of three categories: "Necessary for the city to be livable and prosperous", "Contributes to the city but less important", and "Not required for the City".

The quantitative input from the feedback form contains information on the importance participants ascribed to key municipal issues, service priorities, opinions on investing or reducing costs for governance and support services, comparing Toronto to other municipalities, property taxes, and input on taxation and user fees in relation to service levels.

The qualitative data contains information about the 10 service areas where there was the greatest feedback and provides an analysis of the issues people felt were the most important facing the city in 2011, comments on funding options and considerations for City Council when it makes decisions about services in the future.

Demographic information about participants who chose to complete that section of the feedback form is summarized in the Consultation Report as well. Demographic categories include gender, age, household income, highest level of education completed, whether a participant has children under 18, home ownership or rental, and business ownership.

- 30 -

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