

**The Establishment Performance Measures and Indicators for Social Housing in
Ontario**

The Background and the Process; What Are the Challenges?

MPA Research Report

Submitted to

**The Local Government Program
Department of Political Science
The University of Western Ontario**

July 2004

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The Establishment Performance Measures and Indicators for Social Housing in Ontario
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1. Executive Summary

Public sector performance measurement has been in existence for a long time. Today in the new, entrepreneurial form of government, private sector management approaches are no longer a fad, but day-to-day business.

Increased public opinion against government waste has created urgency for accountability at all levels of government. In 1995, the Progressive Conservative Party of Ontario invoked a policy platform designed to better utilize market principles in the public sector. Under this direction, a number of services were transferred from the Province to the upper tier municipalities including the administrative and funding responsibilities for social housing. A Municipal Performance Measurement Program, designed to make local governments accountable for the delivery of services, was also established.

This paper examines what performance measurement is, what to measure and why. It also includes the identification of the various challenges that stakeholders must recognize and resolve. More specifically, Behn's five possible reasons for failing to successfully implement an effective performance measurement program are discussed. Are compared with the current struggles faced by members of an Expert Panel, which has a mandate to establish a meaningful and effective performance management program for the administration of social housing in Ontario.

You can measure almost anything. The challenge is to measure things that truly matter, because what you measure is usually what gets done. The greatest risk to success is the lack of relevance in the final outcomes.

2. Introduction

All organizations require timely and high-quality performance information to manage their business effectively and local government is no exception. Over the years, most businesses have looked at some type of performance indicator or measurement process. A good introduction to the core aspects of performance measurement is noted in Jerry L. Harbour's The Basics of Performance Management:¹

The first approach, common in the past, is based on opinion and speculation. The second is based on fact and actual measurement. Increasingly, companies are opting for the latter approach. They are managing their improvement efforts based on fact. And those facts are being derived by measuring performance. That is, companies are using performance measurements to help achieve desired performance levels.

The performance measurement can be as simple as an annual financial statement, or as complex as a formal evaluation program that will determine how well a business is doing. In the 1980s, it became the fashion for governments of all sizes to manage more like the private sector, as noted by Wallace Immen in his article in the *Globe and Mail*² on Feb. 13, 2004, "Fads we love to hate".

¹ Harbour, Jerry L. Phd. 1997 The Basics of Performance Measurement. Productivity Press, Portland, Oregon, USA. pp.3

² Immen, Wallace. *The Globe and Mail*. Toronto, Ontario February 13, 2004. pp C1

Today, in the new entrepreneurial form of government, this is no longer a fad but day-to-day business, which has forced public sector managers to rely on performance measurements. Many government leaders continue to use Reinventing Government³ by David Osborne and Ted Gaebler as a guidebook for restructuring the public sector. No matter the change process chosen, the goal is the same – to do more with less – the theme of the Ontario Government for over fifteen years.

Under the direction of the Conservative Party, led by Premier Mike Harris, the transfer of program responsibility was designed to bring program accountability closer to the taxpayer. To ensure this accountability, a performance measurement program was introduced – the Municipal Performance Measurement Program (MPMP). In the late 1990s, performance measurements became a fact for municipal governments in Ontario making local government more accountable. By the fall of 2001, the Province required municipalities to record performance measurements of core service areas and to report those results to the Province and the public.

Municipalities have been less than enthusiastic about the initial Municipal Performance Measurement Program primarily because the Province directed these measures unilaterally in a top-down process with minimal stakeholder involvement. The subsequent creation of the Ontario Municipal CAO's Benchmarking Initiative (OMBI) by the Chief Administrative Officers (CAO's) and city managers was an effort to make the MPMP a useful management tool and to identify and develop appropriate service specific performance measures.

³ Osborne, David & Ted Gaebler. 1992. Reinventing Government. Plume, Penguin Group, New York, USA

These participating communities are working together to identify and share performance statistics and best practices for service efficiency and quality, and to network in a spirit of innovation and entrepreneurship. Currently, the MPMP consists of forty performance measurements in ten core service areas that are relevant to municipalities and the public. To date, these measurements do not include all of the recently downloaded services - this is about to change.

In December 2000, the Province enacted Bill 128, the Social Housing Reform Act (SHRA). This legislation brought into effect the devolution of social housing, resulting in the transfer of administrative responsibilities from the province to municipalities across Ontario. Announcing the final stage of this business transfer in May 2002, Lynne M. MacDonald, Assistant Deputy Minister of the Social Housing Business Division, asserted that it was "the largest and most complex intra-jurisdictional transfer in the province's history."⁴

As early as 2005, social housing will become part of the MPMP program, making it possible for the federal and provincial governments to determine if it is well managed; is achieving the government's objectives; is striving toward continuous improvement; and is deserving of funding for future housing programs. Naturally, those municipal governments who have the responsibility for the delivery and funding of social housing will want to have a say in the development of these performance indicators and measures.

⁴ Service Manager Update, Ministry of Municipal Affairs and Housing 2002. Queens Printer, Toronto, Ontario at <http://www.mah.gov.on.ca/userfiles>

Benchmarking or performance measurement is not new to the public housing sector, however, these programs have been operational in nature. Further, only one initiative, a study of providers' pattern of energy consumption, included all non-profit housing and not just public housing. In every program, success was limited at best due to lack of commitment, top-down mandates, no follow-up, poor communication, limited buy-in, excessive demands on already strained resources, and limited understanding by the housing providers' of their stake in the process ("what's in it for me").

Now that performance measurements are mandated under the Social Housing Reform Act, will the lessons learned in the past, by the Ministry of Municipal Affairs and Housing and the private sector be remembered – or will they be ignored. What are the challenges that local governments must overcome? Why do these challenges exist? Can they be resolved successfully? Will the stakeholders successfully produce standards that are relevant and therefore mutually beneficial or, on the other hand, will they instead only establish a municipal measurement of little substance?

It is my intention to identify the barriers that stakeholders face when establishing performance measures and to use the current initiative to establishment of a performance measurement program for the administration for Ontario's social housing program - as the example. These challenges will be analyzed to show the difficulties encountered and the way that these challenges can be overcome. Current literature on the establishment and delivery of performance measurement both in the public and private sectors will be reviewed in order to develop this meaningful analysis. This will include the establishment of the importance of performance management in the public sector and the review of similarities in the private sector.

In addition, first hand observation of the dynamics of a panel of experts, chosen to develop performance measurements and indicators for social housing, provides me with a better understanding of the challenges that develop during the process. The opportunity to examine the obstacles and dynamics that exist within the framework of this "Expert Panel," will allow me to identify the barriers that are being encountered and to suggest ways to achieve a meaningful and effective performance measurement system.

3. Performance Measurement – What is it?

Performance measurement for the government of Ontario is derived from many management theories, but remains closely tied to the new public management theory.

This theory can be best summed up as a plan to:

- Reduce costs
- Achieve more with fewer or the same resources
- Quality of service
- Positively change the culture of organizations

Carroll and Dewar, in the following statement, offer an explanation about what performance management is:

"Performance Management is about collecting, reporting and using information about government programs to assess and improve the delivery of government services. There is considerable confusion about what performance management is, as well as about what its uses can and should be. Even the term is used ambiguously, often being confused with performance monitoring and performance measurement, both of which is part of performance management but assigned different meanings and are also used for

different purposes in particular in program/policy evaluation and personnel appraisal systems.”⁵

4. Performance measurement – What to Measure and Why

There are many reasons why taxpayers, program users, as well as other governments, seek accountability. From an internal perspective, measurement is a tool with which one can begin to understand performance, influence strategies and help determine courses of action. From an external perspective, measurement programs support public accountability, justify the use of resources and ensure that public policy objectives are being met.

Morley says that historically, the public sector has focused on inputs and activities, paying less attention to the outcomes or results achieved by those inputs, activities, programs and strategies - today the focus is shifting much more to what is actually being accomplished.⁶ Bryant, Hatry, Carol and Dewar support his position adding that: “Municipal services lend themselves more easily to measurement of service delivery and based only on anecdotal evidence, the performance management concept seems to have been most successful at this level (Hatry 1999).”⁷

You can measure almost anything. The challenge is to measure things that truly matter, because what you measure is usually what gets done. The measurement itself implies

⁵ Carroll, Barbara & David Dewar. 2002. “Performance Management: Panacea or Fool’s Gold” in Handbook of Canadian Public Administration ed. Christopher Dunn. Oxford Press, Don Mills Canada pp.413.

⁶ Morley, Elaine, Scott P Bryant, Harry Hatry. 2001. Comparative Performance Measure. The Urban Institute Press, Washington, D.C., pp. 4.

⁷ *ibid.*, pp 421

importance and an organization wants to succeed where it counts. If a measurement indicator does not have a meaningful outcome, then why measure it?

Many managers wrongly assume that a performance management program will automatically improve performance, but this is not necessarily so. Performance information is not a panacea for local government but a report card or quantitative history. To be effective as well as efficient, management must depend on a clear overview of the toll corporate outcomes might take on financial and human resources. With committed leadership, performance measurements programs that are properly designed and implemented can be valuable and effective tools for improvement.⁸

To be meaningful and useful, performance data must be viewed in light of organizational and operational objectives and set alongside the standard for best practices and services in the field. Councils, boards and senior managers want to be satisfied that targets will be met, potential problems will be tackled on time and that the services being provided will be enhanced given the right incentives.

“What do the new measures of performance look like? While traditional business metrics focus on a single perspective, financial, the new metrics are multidimensional – looking at several different aspects of business at the same time. In other words, they reflect the reality and the complexity of business situations. After all, unless you measure all sides of a problem, how do you know whether the dent you make in a problem actually shrinks it or just creates a new bulge somewhere else?”⁹

Ammons identifies a common thread throughout the literature:

“There is no reason to embark on performance measurement improvements unless better measures are expected to lead to improved services, to make services more efficient, or to make them more equitable. Service providers must

⁸ Ammons, David N. 2001. Municipal Benchmarks. 2nd edition, Sage Publications, Thousand Oaks, CA. pp.11

⁹ Frost, Bob. 2000 Measuring Performance. Measurement International, Dallas, TX pp 10

be assured of management's commitment to those ends and be convinced of management's resolve to use performance measurement to improve, rather than drain resources from, service to the public. It may be helpful to point out to skeptics that many local government officials in jurisdictions that have performance measurement systems, report that their systems have proven to be worthwhile (McGowan & Poister, 1985; Poister & Streib, 1999)¹⁰.

The comparing of data among municipalities has been a recurring issue. When examining and comparing the results of performance measurement one must consider the following challenges:

- Government structure – single-tier or two-tier
- Variations in service levels and standards
- Age and use of infrastructure
- Socio-demographic profiles and service needs
- Organizational structures
- Fluctuating financial policies
- Measurement program differences

Without an understanding of these unique environmental and policy factors, government leaders and stakeholders may develop unrealistic conclusions from raw performance data. The interpretation of the results is only as good as the measurement information supplied and the recognition and understanding of the limiting parameters involved.

5. Ontario's Municipal Performance Management Program

¹⁰ Ammons, pp 20

Shortly after the Progressive Conservative party took office in 1995, they initiated the implementation of their policy platform, the *Common Sense Revolution*. Government leaders attempted to utilize market principals or New Public Management theories and initiated a major restructuring program with the *Local Services Realignment* or *Who Does What* initiatives. However, the changes were not limited to provincial business methods and included those of the municipalities as well.

On August 15, 2000, the Minister of Municipal Affairs and Housing, Tony Clement spoke to the Association of Municipalities Ontario (AMO). In his address to the Association "Clement will emphasize the government's commitment to a renewed municipal-provincial relationship; and the important link between increased authority for municipalities and increased accountability to voters."¹¹ Less than two months later, the Minister formally announced the implementation of the Municipal Performance Measurement Program (MPMP).

The Municipal Performance Measures Program initially required all Ontario municipalities to report on thirty-five performance measures in nine core service areas. The year 2000 municipal results were to be reported to the Province by April 30, 2001 and to the taxpayers by June 30, 2001. The process for reporting was subsequently incorporated into the Municipal Act of Ontario, Section 299. In the Minister's letter to Heads of Council, Mr. Clement stated:

"...is introducing a new initiative designed to enhance local service delivery and strengthen government accountability to taxpayers. This new initiative is called the Municipal Performance Measurement Program. ... This program will allow municipalities to compare their costs, both internally, year to year, and in relation to other jurisdictions. It can also become a forum for highlighting successes and for sharing wealth of knowledge, recognizing that somewhere in Ontario a local

¹¹ Ministry of Municipal Affairs and Housing 2002. News Release- August 11, 2000. Queens Printer, Toronto, Ontario

government has found a more efficient, more effective way to deliver a similar service.”¹²

In 2003, MPMP consisted of forty performance measures relating to ten core service areas within a municipality. The program had evolved to a dynamic process of redefining and refining measures that were relevant to municipalities and the public.¹³ It included both efficiency and effectiveness measures but has not been expanded to include all of the recently downloaded services, including social housing administration.

Unfortunately, the original measures were unilaterally directed by the Province.

Municipal service providers were not consulted and were understandably less than enthusiastic about the initial MPMP expectations. To avoid a recurrence, the Regional Chief Administrative Officers (CAO's) established the Ontario Municipal CAO's Benchmark Initiative (OMBI) to develop performance measures and indicators that truly reflected their regional, core business.

To date, the Ontario Municipal Benchmark Initiative has the support of seventeen local governments and has developed a strong relationship with the Province of Ontario and the Centre for Municipal Best Practices (OCMPB). Under the co-ordination of the Social Housing Services Corporation (SHSC), OMBI is working closely with the social housing municipal administrative sector to develop and establish the performance measures and indicators for MPMP.

¹² Clement, Tony. Letter to Heads of Council. Ministry of Municipal Affairs and Housing, October 3, 2000 p. 1-2

¹³ Ministry of Municipal Affairs and Housing. Municipal Performance Measurement Program Handbook 2003. Queen's Printer, Toronto Ontario. pp. 7

The Ontario Municipal CAO's Benchmarking Initiative (OMBI) has already completed a substantial amount of work to gather performance data and share of best practices, particularly among larger municipalities. The Social Housing Services Corporation (SHSC) signed a terms of reference with OMBI in the spring of 2003 to support the development of performance indicators for housing for service managers (SHSC website). Most Municipalities appear too be in favour of this approach and agree that there is value in a system based on shared performance information and best practices. It is expected that housing-related services will be added to the provincial reporting program by 2005.

6. Social Housing in Ontario

In 1935, the Dominion Housing Act was enacted by the federal government to help finance housing for Veterans. During World War II, the Wartime Housing Corporation built 46,000 units, mostly for war-workers and helped repair and modernize existing units. In 1954, the federal government enacted the National Housing Act and enabled Canada Mortgage and Housing to begin a more extensive role in community development.¹⁴

After the Second World War, more than a million Canadian armed forces personnel were ready to return to peacetime life creating demands the private sector could not meet. The Canadian government recognized the urgent need for additional housing and that a number of the older neighbourhoods in the City of Toronto were considered unfit. Regent

¹⁴ Canada Mortgage and Housing. History of CMHC. [http:// www.cmhc-schl.gc.ca](http://www.cmhc-schl.gc.ca)

Park, in the southeast section of Toronto, became the first urban redevelopment program in Ontario. In 1948, Regent Park opened 1056 new units for its first families. Today, approximately 7,500 residents call this cultural mosaic home.

Regent Park was just the beginning. With assistance from the provincial, federal and municipal governments, the social housing portfolio began to take shape. Through out the 1950s and 1960s social housing communities began to appear across Ontario. Most were locally based housing programs that assisted the municipalities with their urban renewal programs.

In the 1960s however, the provincial government recognized that the demand for affordable housing was again increasing and that the private sector would not be able to satisfy it. To help resolve the emerging problem, the Province established the Ontario Housing Corporation (OHC) in 1964. Through this agency, the portfolio was gradually expanded and by 2000, OHC had become the largest landlord in Canada and one of the largest in North America, with more than 84,000 dwelling units. OHC also supported numerous rent-supplement programs overseeing approximately 16,000 additional social housing units.

Social housing in Ontario experienced changes during these thirty-six years. In the beginning, and in conjunction with the federal government, municipalities participated in the development and the funding of the various housing programs. In the 1960's, the Province of Ontario also began to participate through the establishment of the Ontario Housing Corporation (OHC). This agency began as a centrally managed organization but re-structured into the Local Housing Authority (LHA) system in the mid-1970s. Though this re-organization, management responsibility was delegated to fifty-six local

agencies called local housing authorities; the Ontario Housing Corporation acted as overseer and the ultimate controller. The Province used this opportunity to take administrative control of the social housing portfolio and relieved municipalities of any funding or administrative requirements. In other words, local accountability was minimized and centralized, provincial accountability was maximized.

As OHC was re-organizing, the development of both non profit and co-operative housing programs began and continued through to the late 1990's. This type of housing differed from the OHC public housing stock in that it included a mixture of subsidized and low-end of market tenants. Ontario Housing Corporation's fifty-six LHA's were typically serving only rent-geared-to-income residents. In addition, the Province allowed ownership of these new units to be held by various local groups, preferring to subsidize their operations through established financing mechanisms. By the time the responsibility for the social housing portfolio was devolved to the municipalities in 2001, over 172,000 dwelling units had been built. These units were either unilaterally funded by the provincial or the federal governments or developed jointly by both governments, working through local interest groups or municipal agencies

Under the Premier Harris leadership, the transfer of the responsibility for social housing program was designed to bring program accountability closer to the taxpayer. In the case of social housing, it also brought the accountability closer to the user. To help prepare for this transfer, the Province established the Social Housing Committee to report to the legislature about how and what the new public housing management system should look like. In 1998, the Committee recommended that public housing should be harmonized with other social housing programs. Among other findings, the Report of the Social Housing Committee stated:

“With the devolution, all social housing providers will have new administrators – Consolidate Municipal Service Manager’s (CMSM’s)¹⁵, instead of the province. However, where the ownership and management of other social housing will not change under the proposed reforms, both these things will change in public housing. While this may create a sense of uncertainty among public housing providers, it also offers the opportunity for renewal and greater accountability under a new system which is more streamlined and efficient.”¹⁶

Later that year, the Harris government adopted the *Local Services Realignment* initiative and directed the funding responsibilities be downloaded to the upper tier municipalities.¹⁷

In December 2000, the Province enacted Bill 128, *The Social Housing Reform Act, 2000* (SHRA). This legislation brought into effect the devolution of social housing, resulting in the complete transfer of administrative and funding responsibilities from the Province to the upper tier municipalities or forty-seven service managers. Announcing the final stage of this business transfer in May 2002, Lynne M. MacDonald, Assistant Deputy Minister of the Social Housing Business Division, asserted that it was “the largest and most complex intra-jurisdictional transfer in the province’s history.”¹⁸ Prior to this transfer, Social Housing was primarily a provincially administered program, now it became a municipal responsibility.

The Federal government had also developed over 45,000 non profit units in Ontario, which they transferred to provincial control immediately prior to devolution.

Administrative responsibility for these units was then, in turn, transferred by the Province to the municipalities.

¹⁵ Consolidated Municipal Service Manager- Upper tier municipality responsible for people services being downloaded by the Province of Ontario

¹⁶ KPMG. Ministry of Municipal Affairs and Housing. 1998. Ontario Housing Corporation LHA Benchmarking Analysis, Final Report. Queen's Printer, Toronto, Ontario

¹⁷ Upper Tier Municipalities: 3 levels of municipal governments example Regional government or the DSSAB: District Social Services Administration Board

¹⁸ Ministry of Municipal Affairs and Housing, Service Manager Update May 2002 pp. 1

7. Why Should We Measure the Administration of Social Housing?

The Social Housing transfer was completed by the Ministry of Municipal Affairs and Housing in May 2002. While the transfer of titles was relatively easy, the transfer of responsibility was extremely complex and the costs associated with the new way to deliver this program now require a substantial portion of the municipal tax base. As noted previously, the provincial government introduced the MPMP program to help ensure accountability for services delivered at the municipal level. However, not all of the new municipal services, including social housing, have been included in the performance measurement reporting process. It is anticipated that it will become part of the MPMP program in 2005.

The *Social Housing Reform Act, 2000*, also set the requirement for housing administrators and providers to develop a meaningful performance measurement program. Through the SHRA legislation, the Government established the Social Housing Services Corporation (SHSC) with a number of specific mandates, one of which is to provide advice on best practices and benchmarks. As a result, the SHSC now must undertake studies and provide advice to the Province, service managers and prescribed housing providers about performance indicators and best practices for housing.¹⁹

Benchmarking or performance measurement programs are not new to the public housing sector. However, previous attempts to develop and implement a performance

¹⁹ <http://www.shscorp.ca>, About Us, Legislation

measurement program have been at an operational or field level. During the 1980's and 1990's a number of operational programs were attempted:

- *Management Operations Review System - MORS*
- *OHC Benchmarking Initiative – arrears, turnover rates, vacancy loss*
- *Energy Management Initiative - EMI*
- *MMAH Funding Formula – Benchmarks*

In each case, success was limited because of excessive demands on already strained resources, top-down mandates, poor communication, a general lack of commitment and follow-up, limited buy-in from front line staff and supervisors, and a lack of perceived benefits to housing providers who asked “what's in it for me?”

To cite an example, the *Energy Management Initiative (EMI)* was launched in 1999 to give providers an effective tool with which to manage project operating costs and minimize the impact of future utility rate increases. Under this initiative, providers were asked to fill out a survey and provide two years of utility bills (gas, electricity, water) for their housing portfolio. EMI creators wanted to categorize the local portfolios in service groups (townhouses, walk-ups, high-rise, etc.) and determine energy and water benchmarks for usage. Providers could then compare their own results against the benchmark and the performance of other similar projects to determine how energy efficient their particular group of buildings was and if conservation measures were required.

The program was created by Ministry of Municipal Affairs and Housing staff with assistance from housing sector organizations such as the Ontario Non-Profit Housing

Association (ONPHA) and the Cooperative Housing Federation (CHFC) as well as several of Ontario's largest housing providers. To reduce confusion and to improve understanding, a step by step, plain language guide, and a sample of a completed survey were included with the package sent to providers. In addition, help line numbers were available that providers could access if the need arose. All involved in the development of this exercise believed it to be a simple study, with few, if any problems.

Many targeted providers did not see this as a priority issue, however. Rather, they tended to view this initiative as a "make-work" exercise, of little or no benefit to them. Some providers believed it was an attempt to set energy consumption benchmarks and limit their subsidy funding in relation to how their project ranked in comparison to the benchmark. For providers with multiple utility meters and/or multiple locations, the work required to comply with the request proved to be excessive and a major strain on already scarce resources. As a result, many providers simply refused to participate, thereby reducing the amount of information being considered. Ultimately, this compromised the integrity of the outcome due to the smaller sample size. To further complicate matters, the final results were simply forwarded to the participating providers for their own interpretation, with only minimal instructions. No other technical or financial resources were provided.²⁰

The inclusion of social housing administration reporting requirements into the MPMP program is not simply an accounting exercise but the establishment of a performance management tool with numerous benefits. Federal and provincial governments will be able to use this information to help determine:

²⁰ Ministry of Municipal Affairs and Housing. Service Manager's Guide for Joint Local Transfer Planning Release # 26

- if social housing is well managed
- if government objectives are being achieved
- if there is movement towards continuous improvement
- if the sector is deserving of additional funding for future housing programs.

Internal and external benchmarks can be established for similar-sized municipalities.

Service managers, municipal councils, senior management, and the Province will benefit as they will be able to determine the viability and effectiveness of their administrative operations. External validation is especially important as the current social housing delivery model is relatively new to local government and comparison to other similar sized municipalities should provide maximum benefit. Consistency of program delivery at a reasonable cost is the information that councils and taxpayers need to make decisions. The provincial government also wants to ensure that the transfer continues to be a success.

The housing sector will be able to use measurement data to better understand how they are performing in relation to their peers, to assist in the setting of realistic yet challenging targets as they identify better performing organizations as resources for best practices. Performance measures must be relevant, flexible, credible, simple, sustainable, effective and require minimal resources to achieve. They must also be based on teamwork and sound partnership. Applicants or tenants will become interested in learning how the program works and if the benefits include providing them with improved access to housing and better places to live.

It is imperative to the success of any new performance measurement program that its designers draw from the experiences of previous programs. Meaningful performance measures must be incorporated into the MPMP program to enable federal and provincial overseers, as well as local government and taxpayers, to review the efficiency and effectiveness of the program delivery model. Further, full communication of the goals and potential benefits of the measurement program to all stakeholders is considered a must.

In summary, housing providers and the municipal administrators require timely and high quality performance information in order to manage their business effectively and efficiently. They need to collect information for:

- internal monitoring,
- business planning
- strategic development and review
- performance analysis and benchmarking
- stakeholders' decisions
- reasonable service delivery standards
- sharing best practices

It is interesting to note that housing providers are also simultaneously undertaking this process although their work is operational in nature and it is beyond the scope of this paper.

8. Performance Measurement - The Process

David Ammons and others have found that performance measures alone will not directly lead to improved performance. By measuring a process, which in turn provides attention to this process, it will automatically inspire greater results and that by itself often improves performance. Gloria Grizzle is of the opinion that performance measurement systems may be helpful tools for improving productivity and accountability and that performance is a multidimensional concept.²¹

Performance information, informed by analysis, should be used to review current service expectations. Targets may be set with reference to peer performance, external influences or based on internal accomplishments. However, in order to be meaningful and useful, performance data must be viewed in the light of organizational objectives and operating context alongside a standard of service that the municipality wants to achieve. Harry Hatry's idea of why governments look at performance measures is that "the increased knowledge about a government's service delivery can improve the decision making of its elected officials and managers, and can improve accountability to the public."²²

The development of a performance measurement system is typically a complicated exercise which includes determining what to measure, who should be involved, potential

²¹ Grizzle, Gloria A. "Measuring State and Local Government Performance, Issues to be Resolved Before Implementing a Performance Measurement System" in Richard C. Kearney & Evan M. Berman, ed. Public Sector Performance Management, Motivation and Measurement. 1999. Westview Press Boulder, Colorado. pp 329

²² Hatry, H. "Performance Measurement Principles and Techniques" in Richard C. Kearney & Evan M. Berman, ed. Public Sector Performance Management, Motivation and Measurement. 1999. Westview Press Boulder, Colorado. pp 304

sources of information, the possible retention of professional consultants, time lines, levels of authority, resource allocations, and so on. It's easy to overlook important and necessary steps. Ammons and other authors have identified the many obstacles or barriers that organizations encounter when planning a performance measurement program. In his book, David Ammons suggests the following steps that an organization should consider when developing a successful performance measurement and monitoring system:

1. Secure managerial commitment.
2. Assign responsibility (individual or team) for spearheading/coordinating departmental efforts to develop sets of performance measurements.
3. Select departments/activities/functions for the development of performance measurement.
4. Identify goals and objectives.
5. Design measures that reflect performance relevant to objectives:
 - Emphasize service quality and outcomes rather than workload.
 - Include neither too few or too many measures
 - Solicit rank-and-file as well as management input/endorsements
 - Identify the work unit's customer's and emphasize delivery of service to them.
 - Consider periodic survey's of citizens, service recipients, or users of selected facilities.
 - Include effective and efficiency measures.
6. Determine desired frequency of performance reporting.
7. Assign departmental responsibility for data collection and reporting.
8. Assign centralized responsibility for data receipt, monitoring, and feedback.
9. Audit performance data periodically.
10. Ensure analysis of performance measures incorporates a suitable basis of comparison.
11. Ensure a meaningful connection between the performance measurement system and important decision processes (e.g. goal setting, policy development, resource allocation, employee development and compensation, and program evaluation.
12. Continually refine performance measures, balancing the need for refinement with the need for constancy in examining trends.
13. Incorporate selected measures into public information reporting.²³

While it is possible to develop a performance management process without following these steps, the process of implementing the program can become a struggle, readily subject to failure, loss of credibility and questionable results. Failure to understand the

²³ Ammons, pp 21

potential impact of a flawed program design can lead to results which are incomplete, erroneous, inconclusive, and non-essential.

9. Establishing a Performance Measurement Program for Social Housing in Ontario - The Challenges and the Opportunities

It is likely that some form of resistance will be encountered when a performance measurement system is being developed. It is easier to understand that resistance will come than it is to predict the source. It is therefore important to anticipate resistance and develop a coping strategy to deal with the reasons behind it.

Most people consider performance standards a threat to their own self-esteem and their turf within an organization that will eventually lead to reduced levels of job security and herald lay-offs or cut backs.²⁴

“Program managers may be content – or even prefer – to include only measures that they can control. They might be content with information about what the program does and costs, how it does it, and how well it does it. Measuring efficiency might seem important, but, because program managers lack total control over outcomes, they might see cost-effectiveness measures as relatively unimportant. Legislators and chief executives might adopt the same point of view. Because chief executives and legislators have more control over some decisions than do program managers, they would probably include performance dimensions different from the managers.”²⁵

Robert Behn, an academic leader in the field of governance and leadership, describes in his article ‘The Psychological Barriers to Performance Management’, five possible

²⁴ Ammons, pp. 18

²⁵ Grizzle, Gloria A. “Measuring State and Local Government Performance, Issues to be Resolved Before Implementing a Performance Measurement System” in Richard C. Kearney & Evan M. Berman, ed. Public Sector Performance Management, Motivation and Measurement. 1999. Westview Press Boulder, Colorado. pp 330

explanations for the failure to introduce successful performance management programs.

These are:

1. *Practical*: performance management does not work
2. *Political*: if elected officials do not care about performance management, political or career managers will not either
3. *Managerial*: performance management is damn hard
4. *Psychological*: harbour some very legitimate fears of performance measurement
5. *Psychological*: to think differently about the overall responsibilities of government, and responsibilities of individual public employees and teams of employees.²⁶

David Ammons adds that proponents of improved performance measures should expect three common declarations from opponents:

1. "You can't measure what I do"
2. "Your measuring the wrong thing"
3. "It costs too much, and we don't have the resources"²⁷

These are the same comments that Ministry of Municipal Affairs and Housing heard when they tried to implement the Ontario Housing Corporation's LHA Benchmarking Project in 1998 and the EMI Initiative in 1999. Unless the organization or the department is prepared to overcome this resistance, the program that they are intending to implement will most likely fail.

Barriers are not always a bad thing. They are really challenges that can lead an organization down a more productive and responsive path and force it to be more creative than it might have been. The struggle is likely to be frustrating for all who fail to recognize the uniqueness of public sector service provision and the constraints

²⁶ Behn, Robert. "The Psychological Barriers to Performance Management" in Public Performance & Management Review, Vol. 26 No.1, September 2002. pp 7-9

²⁷ Ammons, pp 19-20

associated with it. Simply adopting an approach or technique from another sector or discipline will not always work; hence we need to understand the special barriers in public sector productivity improvement.²⁸

Although performance measurement programs are typically introduced with the best of intentions, implementation is not always problem free. As various literature sources confirm, government staff at all levels frequently have difficulty in understanding the need for performance measures or benchmarks. Many of them have heard the “do more with less” encouragements for years and see the results only as downsizing, reduced job security, re-focused responsibilities, and a significantly increased work load for themselves. It is easy to appreciate that under such circumstances, staff may be reluctant to try and understand the benefits of another measurement program and not readily believe that they can identify the additional time and/or the resources required for implementation. In addition, many managers believe that the service they deliver is different from others and is just too complicated to be measured; their program is unique, it is qualitative not quantitative. Comments such as ‘no one understands the diversity of what we do, this program is much more complex than measuring kilometres of roads, etc.’ are typical of those made by groups at the onset of a measurement program. Understanding that everything can be measured continues to be a barrier in both the public and private sector programs.

When a measurement exercise or program is announced managers often react negatively because they do not understand the dynamics of the upcoming process.

²⁸ Ammons, David N. “Common Barriers To Improvement in Local Government” in Richard C. Kearney & Evan M. Berman, ed. Public Sector Performance Management, Motivation and Measurement. 1999. Westview Press Boulder, Colorado. pp 97

Personal issues such as previous unsatisfactory experiences with performance measurement programs, increased work loads, reduced job security, and performance reprimands, etc. all contribute to a fear of the unknown, the outcomes of the performance measurement exercise.

At the beginning, formulating the scope, setting the supports in place, and preparing individuals to develop measures and indicators is more challenging than the actual decision to implement specific measures. It seems so easy to identify what and how to measure service delivery areas when there is no personal stake or involvement. Once it enters their arena, then the barriers increase. Performance measures do not necessarily show the true nature of individual achievements, past records and the operating environment, but all need to be considered when examining performance data.

Following the OMBI model, service managers have created an 'expert panel' to begin developing the performance measures that will be integrated into the MPMP program. The panel was chosen by peers, with the support of the Social Housing Services Corporation (SHSC), using criteria designed to ensure representation from different sizes of service managers, different models for administering social housing and different geographic locations.

Individuals or groups tend to become less resistant over time, once they begin to recognize the benefits that can be gained for themselves and their organization. According to the resources cited previously, staff members should be given some of the responsibility for developing the measures because they typically have an enhanced understanding of both the macro and the micro issues involved and are in a good

position to identify reasons for variations and opportunities for innovation. In addition, having staff directly involved in program design provides them with an opportunity to “buy-in” and to work from within to make the program better.

When the process is inclusive, there is less resistance to performance measurement. All levels of staff must be aware of the reasons and expectations so that many of the barriers discussed in this paper will be viewed as development opportunities rather than insurmountable obstacles waiting to sidetrack or derail the proposed program.

10. The Benefits of Performance Measurement

It is important to look at both external and internal performance once program barriers have been identified and overcome and goals established for a road map to the future. “Advocates of improved performance measurement in local government have long emphasized the importance of suitable performance yardsticks for municipal functions, in lieu of the private sector’s bottom line measure of profit and loss.”²⁹ To summarize the literature, you can’t improve what you can’t manage; if you don’t measure it, you can’t manage it.

Performance measurement programs are generally considered effective if they encompass the following principles:

- The group or organization must perceive that there is value added

²⁹ Ammons, David N. “Overcoming the Inadequacies of Performance Measurement in Local Government: The Case of Libraries and Leisure Services” in Public Administration Review Vol 55 No 1, 1995. pp. 37

- The information must seem relevant and useful to stakeholders
- The results must be available and accessible to stakeholders
- The goals and objectives must be easily understood and interpreted

“Measures can take a variety of shapes and forms, each measuring some different aspect about program or service. Careful thought should be given to the purpose for the performance measure, and the appropriate type selected to suit that purpose.”³⁰ The following is a list of common performance measurement initiatives that have been used in both the public and private sectors and is based on writings of people such as Hatry, Ammons, Kaplan, and Norton:

- Cost Measures
- Balanced Scorecard
- Benchmarking
- Workload-Accomplishment Measures
- Effectiveness Measures
- Efficiency/Productivity Measures
- Actual Unit-Cost to Workload Standard Ratios
- Efficiency Measures and Effectiveness Quality
- Pseudo-Measures
- Cost-Benefit Ratios
- Governing for results
- Marketization
- Comprehensive
- Performance Measurement
- Municipal Report Cards

“By giving careful consideration to the initial design and development of a performance measurement system, more meaningful, usable, and true value-added, performance-related information can be obtained.”³¹ The SMART acronym, developing

³⁰ Hatry, H. “Performance Measurement Principles and Techniques” in Richard C. Kearney & Evan M. Berman, ed. Public Sector Performance Management, Motivation and Measurement. 1999. Westview Press Boulder, Colorado. pp 306

³¹ Harbour, Jerry L. Phd. 1997 The Basics of Performance Measurement. Productivity Press, Portland, Oregon, USA. pp.67

performance measures that are specific, measurable, action-orientated, relevant and timely, is certainly applicable to the development of effective and meaningful performance measurements.³²

The greatest risk to success of a performance measurement program is the lack of relevance in final outcomes. In addition, when these outcomes are not operationalized to fulfill the goals that were initially set, the process becomes just another management fad that ignores the culture of the organization and is put on the shelf, literally and figuratively. If this is the response of an organization or department, it can be assumed that few barriers were overcome and/or good planning indices were not considered.

11. Where are we today? (An Observation)

It is important to note that the information included in this section of the paper is the outcome of my personal observations and discussions. The observations discussed in this paper are solely mine and in no way reflect the opinions of the Social Housing Services Corporation or those of the Expert Panel.

Following the OMBI model, Service Managers have formed an expert panel to begin developing performance measures, which can be integrated into the MPMP program in 2005. Diversity was important to ensure the buy-in or acceptance of the process and the outcomes by the other service managers who were not involved. The Panel is supported by the Social Housing Services Corporation (SHSC) and OMBI.

³² Ibid. pp.67

This Expert Panel has met regularly with project managers from OMBI and SHSC. A program charter was adopted by all members of the panel (Appendix A) and the Terms of Reference between OMBI and SHSC were finalized in the fall of 2003. (Appendix B)

Initially, this group looked like a classic, dysfunctional case, permitting itself to become bogged down by barriers. Reviewing the list of issues and concerns became the focal point of each meeting. To be fair, there was a historical perspective influencing this reaction. A majority of the Expert Panel is comprised of former Housing Authority or Ministry of Municipal Affairs and Housing staff that was subjected to previous attempts by the Province to implement performance measures in the housing sector.

In their new roles as municipal administrators, it initially took a large, conceptual leap to understand performance management at the administrative level. Earliest discussions about the process focused on:

- Benefits of limiting the panel's role to the simple identification of indicators
- Determining housing operational indicators such as rent arrears, vacancy rates
- Making a case for the differences dividing municipalities
- Defending the variables in housing program delivery methods
- Determining how to add measurement to the workload of each division

These are just some samples of how the initial discussion progressed. In the literature previously cited, Ammons and Behn speak to these challenges and opportunities. However, panel members satisfy many of the criteria that these authors suggest as absolutely necessary to develop a meaningful performance program – support of upper management, desire to actively participate, a detailed understanding of the global intent and associated parameters, program history, and have personally faced the challenges that the change in the administration of social housing has created.

Observing dynamic and knowledgeable individuals struggling with the concept and process as many others had done in the past peaked my interest. I wanted to determine if this was an actual process that had to be worked through, in any group, or was it the outcomes of this group's fears and misunderstanding of the process.

The literature review provided a clear understanding that, the reaction or interaction that was observed, is a real process and that most groups or organizations must go through this step in order to develop good performance management programs. Furthermore I discovered that the struggles experienced by the members were widespread and included a series of discrete personal differences between panel members and the facilitator, differences in historical perspective and differences of opinion about process planning and next steps.

The first struggle or barrier that this group encountered was coming to agreement on how to proceed through the numerous steps that would eventually develop into a performance measurement program. The group became impatient with the details of a project charter, logic model process, and the demand for commitments of personal time. It began to focus on the facilitator's lack of inside knowledge of social housing. This

perceived deficit opened the door for other barriers to overwhelm the group. The struggle was long and difficult but the process made the panel into a cohesive group, focused on the work ahead.

As part of its charter, the Expert Panel has agreed to communicate the status and progress of ongoing project work, to Service Managers on a regular basis. This decision was meant to help ease some of the barriers that might be confronted by those service managers and staff who were not selected for the Expert Panel.

In June 2004, a presentation was made to housing staff representing a number of service managers from across the Province. Overall, the program was well received, but very quickly, the audience began to voice the same issues or barriers that the Expert Panel had struggled with

- “My municipality is different from yours”
- “Our administration looks at housing differently than yours does”
- “Why are you looking at Service Manager indicators when it’s the housing provider that needs to be managed”
- “The housing program is just too complicated to quantify.”

And so the struggle was again revisited.

The Expert Panel members themselves noticed an interesting outcome from this presentation. Next to the presenters, a number of other panel members were in attendance. When the audience began to voice the same questions and difficulties experienced by the panel, one of the non-presenting members, a self-proclaimed skeptic

of the process, acknowledged that the concerns were the same challenges that the Panel had to identify and overcome. One of the members was able to explain how the process helped the Panel work towards its goals and develop meaningful and useful measures for service managers. Audience members also emphasized about the importance of training, communication and understanding of the process and program. They insisted that these things be taken into consideration as implementation training topics for service managers and staff.

My research revealed many takes on measurement but the need to think strategically was a central theme for a number of authors. When service managers were beginning to discuss the barriers to measurement, one stated that global thinking was going to be important to the program if it were to be strategic and not simply operational. All agreed that measures required of the housing providers would have to be complementary, and tie in to the service manager measures, if they were to reflect municipal goals and objectives.

Robert D. Behn,³³ in his article, "The Psychological Barriers to Performance Management," discusses many reasons for the fact that most organizations including governments are not "jumping on the performance management bandwagon". Behn talks about five "possible explanations" that he uses to summarize the barriers experienced by both public and private sector when they begin to implement a performance management program.³⁴ These five "possible explanations" are the basis of my analysis of the struggles faced by the Housing Expert Panel and are as follows:

1. *Practical: performance management simply does not work*

³³ Behn, Robert. "The Psychological Barriers to Performance Management" in Public Performance & Management Review, Vol. 26 No.1, September 2002. pp 5-25

³⁴ Ibid, pp. 8

2. *Political*: if elected officials do not care about performance management, political or career managers will not either
3. *Managerial*: performance management is damn hard
4. *Psychological*: harbour some very legitimate fears of performance measurement
5. *Psychological*: to think differently about the overall responsibilities of government and responsibilities of individual public employees and teams of employees.

Practical Barriers

Practical: performance management simply does not work

Robert Behn asserts that one of the primary explanations for failure to introduce a suitable performance management program is that performance management simply does not work. It is not a set of proven coherent ideas, say some scornful scholars. Performance management will not work in any organization, say prudent practitioners. And, even if it does work, there is, as Joseph Wholey (1999) of the University of California asks, 'the question of whether and when the value of performance-based management will outweigh the cost'.³⁵

The Expert Panel's first attempt to develop a practical measurement tool was contentious. "How will a performance management system ever be of any benefit to us?" the members asked. "Are we just developing these measurements to satisfy the requirements of the provincial MPMP program?"

³⁵ *Ibid.*, pp.8

Even though a formal logic model was used to determine the measures, the experts first responded with their emotions. Panel members had disturbing memories of previous performance management programs and believed that setting workable standards would take a substantial amount of time. This did not seem to be a practical task to them or their staff. In addition, members feared that a workable but useless program might lead to what Peter Smith called "unintended consequences."³⁶ Many on the Expert Panel and in the field were of the opinion that this program included a hidden agenda and posed a personal threat that could lead to layoffs and cutbacks.³⁷

The struggle the Expert Panel has experienced appears to mirror the literary writings. When Robert Behn asked: "Is it Practical?", my first reaction was no. This initiative seemed doomed to failure from the outset because managers and staff just did not want to spend time and resources on an ill-fated process. In light of Behn's work and that of many others, I began to see things differently as time went on. It seems that many organizations become bogged down when developing practical standards and used the barriers identified by Joseph Wholey³⁸ and other academics as the grounds to support failure of the initiative. As Behn states, "Performance management is damn hard."³⁹

The Expert Panel was, however, eventually able to come up with numerous ideas that could be incorporated into a meaningful performance management program even though members continued to ask the same questions:

³⁶ Ibid, pp.8

³⁷ Ammons, David N. 2001. Municipal Benchmarks. 2nd edition, Sage Publications, Thousand Oaks, CA. pp.18

³⁸ Behn, Robert. "The Psychological Barriers to Performance Management" in Public Performance & Management Review, Vol. 26 No.1, September 2002. pp 8

³⁸ Ibid, pp.8

³⁹ Ibid, pp.8

- Will it actually work?
- Will it be cost effective?
- Is there intrinsic value to these standards?

Political Barriers

Political: if elected officials do not care about performance management, political or career managers will not either

Behn noted next that performance measurement is not particularly useful to a politician.

“It does not win an election - or reelection - for anyone. It does not get anyone defeated very often either. In our frequent and various campaigns for public office, candidates, journalists, opinion leaders and voters mostly ignore the performance of public agencies – and the specifics of performance management. And if elected officials do not care about performance management, political or career managers will not either.”⁴⁰

Although all taxpayers and politicians say they want responsible, efficient and effective government, many do not walk the talk when it comes to vigilance. This Tory driven, provincial-turned-municipal program would be interpreted by many to be a meaningless make-work process, created to pacify voters as elections loomed. Local government is closest to taxpayers and if citizens were not interested in municipal performance management, why would a politician make accountability a priority? If the same politicians who lead and set policy do not make accountability a high priority, why would the various levels of bureaucracy do so?

⁴⁰ Ibid, pp.8

Social housing is no exception. Municipal politicians know that they have no choice but to fund and administer the downloaded services, yet it appears that some have not fully grasped the diverse nature of these responsibilities. In many cities, the housing division has successfully kept the housing programs away from the scrutiny of Council. In others, Council has given the provision and administration of social housing a low priority with staff and financial resources to match. Service Managers will now be officially required to be accountable for the resources assigned and expended in the delivery of this responsibility. What is more, the results of their own personal and departmental performance measures would now land directly in front of the public, politicians and clients.

As the Expert Panel moved through the process, the political barriers became more evident. Hot buttons like transparency and other concerns emerged. "My municipality is so different from yours." "We deliver the housing program differently." Once the MPMP program includes the social housing administration in their reporting schedule, Councils will be able to scrutinize the variations between service managers. They will begin to ask why one service manager, with more providers and funding responsibilities, has fewer staff or resources but appears to deliver the same basic program more effectively. Provincial administrators are also expected to weigh in and begin to ask similar questions.

The Expert Panel itself had concerns about the potential for unintended consequences of participating in the development of a performance management program. They were afraid the standards that they recommend will, in turn, be used to measure their own performance. As an observer, I perceived this to be a significant barrier for the group. The fear of criticism from their own service manager was difficult to overcome. However

this concern appeared to be somewhat alleviated once the panel focused on the strategic nature of the program. Members began to consider the strategic benefits for themselves and their organization once they revisited how this information would be shared and the reason for it. No members could afford to forget the macro, as well as the micro reasons, for their jobs. Getting beyond the whys and whats of the process, to evaluate performance management strategically in a local government setting, became a reason in itself for establishing the program.

Managerial Barriers

Managerial: performance management is damn hard

The third explanation or reason for the failure of previous performance measurement programs was managerial. "Performance management is damn hard."⁴¹

Initially, it was hard to identify who should be part of the Expert Panel; hard to decide what should be encompassed in the definition of administration for social housing; hard to define what standards are relevant and measurable for all managers; hard to decide if the Expert Panel has been fair to itself, and to those not represented at the table. It is also hard to determine which of many seemingly contradictory concepts of public management will work in any specific set of circumstances.⁴²

⁴¹ Ibid, pp.8

⁴² Ibid, pp. 8

With accountability comes leadership. There is no question that the Expert Panel would agree the job is hard, yet they have continued to discuss and define the building blocks and performance management standards for Social Housing. Accepting a seat on the Expert Panel was a difficult issue itself. Most candidates believed that they were not experts - just knowledgeable and experienced in one or more areas of social housing management. Together however, the total was greater than the sum of its parts and the Expert Panel emerged from this set of strengths and diversity.

Many authors and academics have written about and studied performance management, offering advice, ideas, and information on the measurement process. Unfortunately, there are few templates or software programs available to managers or organizations to help with implementation. Managers simply are unable to go to a store and purchase the most recent, state-of-the art, software package: one that would only require the entry of information into specific fields and that would make all their problems disappear. just waiting to have the information data-entered into specific fields and which will make all their problems disappear.

The panel learned that management sometimes requires innovation; senior officials cannot just put their ideas and resources into a program with immediate and laudable results. Consequently, performance management programs can have short-term success but it takes time and patience to reap long-term benefits.

Government organizations do not act alone to deliver social housing; it takes many levels of governments as well as non-profit organizations to complete the cycle. Social housing is a prime example of multi level, community-based partnership.

There are other management constraints in a government organization than may not exist in a private company. The public want to be sure that their hard earned tax dollars are used wisely and appropriately. To ensure accountability to the public, most levels of governments have put a system of checks and balances in place. However, some of these may actually be more costly and create more inefficiencies than initially intended. As Behn states "these constraints which make performance management so difficult, are not the sole reason why so many public executives have not jumped on the performance-management bandwagon."⁴³

Psychological Barriers

Psychological: harbour some very legitimate fears of performance measurement

Behn's fourth set of barriers is psychological. "Many public managers and public employees harbour some very legitimate fears of performance measurement."⁴⁴ As discussed earlier in this paper, many of the members of the Expert Panel brought performance management baggage with them. These fears may eventually prove to be unfounded but certainly have been validated by past experience.

It is natural to fear the unknown; fear is not an unusual response when planning to introduce a performance management program. Managers must face their fears of what provincial leaders are planning to do with the information and be comfortable with what Council or Service Managers might interpret when the results when compared to the standards, benchmarks, and the submissions of others. In addition, they found that the

⁴³ Ibid pp.8

⁴⁴ Ibid pp.8

implementation of the performance management program would ultimately be out of their immediate control, yet have a direct impact on the way that they conduct business.

These fears infect all levels of an organization, whether public or private. There is one significant difference, however. Private organizations can sequester data in-house whereas government data is in the public domain and can be interpreted in many ways by the media and by the public. Most public sector managers work very hard to avoid having one of their programs become headline news.

Psychological Barriers

Psychological: to think differently about the overall responsibilities of government and responsibilities of individual public employees and teams of employees

Behn's fifth possible explanation also stems from psychological roots.

"Performance management requires a variety of people – from leaders of a public agency to legislators and citizens - to think differently about the overall responsibilities of government, about the responsibilities of individual public employees and teams of employees, about the responsibilities of each of the three branches of government, and about the responsibility of citizens." ⁴⁵

Governments at all levels must be flexible and ready, willing, and able to understand, accept and promote change. Performance management programs can be a primary factor in creating change and helping to shift an organization away from the traditional ways of doing business, as championed in the New Public Management Theory. In order to be successful, organizations must be aware of what is required and be prepared for the ensuing struggle. Each department must be on-board and leaders need to

⁴⁵ Ibid, pp.9

understand that people handle and process change in different ways and at different speeds.

In Behn's work, these change processes require mental reorientation "This is not only applicable to the public employees but to legislators and to citizens as well. Until each of these groups begin to think differently about what government should or should not do, the concepts of performance management may remain primarily a set of theoretical ideas that are used only occasionally."⁴⁶

The Expert Panel aptly demonstrates Behn's theory. The rallying cry for the public sector had long been, "if you follow the rules – you cannot make a mistake."⁴⁷ Panel members began to ponder the consequences of their work, to avoid mistakes that could be used against them, and to repeat the successes that garnered rewards.

As individuals, they understand the global reasons for creating a performance management process, but the "What's in it for me?" theme, continues. As often as not, the development program has crept through the many challenges by making one step backward for each two forward. At this point, the group barriers are less worrisome, but as soon as a new step in the process or a new idea is introduced, individuals revert to caution and negative thinking. Despite this, the Expert Panel has made significant progress to recognize these barriers to use their skills and process plan avoid the previous and potential pitfalls.

⁴⁶ Ibid, pp.9-10

⁴⁷ Ibid, pp. 12

Behn speaks of five possible explanations for the lack of enthusiasm towards developing or getting involved in a performance management system in any organization public or private. Human nature, which is the basis of ideas, plays out in every performance indicator that is considered. Change or the identification of potential inconsistencies and the unveiling of an individual or an organizations direction is indeed scary. All of Behn's theories are applicable to the implementation of a performance management program anywhere, not just in government.

With the proper focus and time, the chances of success are much greater. Continuous improvement compels all organizations to asses their performance, compare it with that of their peers and use the comparison to scrutinize their own working methods and achievements.

12. Conclusions

A decade ago, federal researchers examined successful private corporations hoping to glean lessons for possible application in government. They discovered that most industry leaders were distinguished not only by management continuity and consistency, long-range vision, and customer orientation, but also by their 'systematic strateg[ies] for measuring performance' (Thompson ,1991).'⁴⁸

This statement or conclusion can be directly linked to local government and social housing administration including program delivery. Public sector leaders strive for similar recognition but must contend with the political cycle that changes policy and directions,

⁴⁸ Ammons, David N. 2001. Municipal Benchmarks. 2nd edition, Sage Publications, Thousand Oaks, CA. pp.10

often on a regular basis. Public sector managers also manage in the public eye, a position that most private sector managers do not have to experience.

The Expert Panel provides a good example for the examination of the barriers that must be addressed in establishing a performance management program and the associated difficulties. Panel members have the program history, the necessary peer support, as well as the knowledge and the desire to make this program work. They understand the overall or global reasons for the MPMP program and have lived through the changes that administration of social housing has created. The members are committed to excellence in the delivery and administration of social housing in Ontario and ensure that the population they serve receives the best possible product.

Social Housing program delivery is relatively new to the upper tier local government. For managers and staff who have been given the responsibility of providing the expertise and delivery of this program, the task seems monumental and is frightening. However, it is also a program that can provide assistance and significant benefits to participants. Change has become a constant in government and social housing has seen more than its fair share over the years.

Many of the Service Manager staff, as noted previously, come from former government organizations that no longer exist or that have undergone the metamorphosis of today's administration and delivery model. Performance management or the MPMP program is creating another wave of uncertainty for these administrators and staff. The five possible explanations for failure that Behn discusses and that I have used to evaluate the barriers, are very real to the individuals and service managers who are responsible for this program. It has been just over three years since devolution and the resulting

need to quickly face the challenges of new legislation, new governance and administration, and the personal adjustments that take place with any sort of change. It is easy to appreciate, given this experience, why the Housing Expert Panel has had to deal with so many barriers in developing the process. It is also remarkable that they have made the 'quantum leap' from the operational level to the strategic level of thinking and understand that a performance management program can be an asset to their role as social housing administrators. With more work to be done, success appears to be within reach.

Performance management must be an effective and useful tool for all organizations, including all levels of government - "Yet all of these concepts, strategies, initiatives and labels are motivated by the same, single purpose: to improve the performance of public agencies; to enhance the results and values produced by government."⁴⁹ In order to make this change in organizational expectations, managers must change how they do business. To quote Behn "when the objective is to move from process-oriented and rule-driven management to performance-oriented and results-drive management. No longer will public managers and public employees concentrate only on following the rules. Under performance management, they will also focus on improving performance, producing results and adding value."⁵⁰

Ontario's municipal governments are a long way from making this switch but they have begun the change process. The former Tory government started it with the implementation of the "Common Sense Revolution." Future governments can also play a major role by asserting their commitment to the performance management process

⁴⁹ Behn, pp.6

⁵⁰ Ibid, pp 6.

and communicating and emphasizing the positive affects that such a program can provide. As Behn clearly states "when people think about the challenge of improving government performance, they are so overwhelmed by the enormity of the task they are blinded to the opportunity to create some meaningful improvement through a series of individually small, but collectively significant actions." ⁵¹

Ontario is well on its way to becoming a leading player in the search for excellence at all levels. The barriers and challenges of the process are still prominent, but it appears that time and solid results will reveal the benefits of such programs. Performance management programs will then change from a necessity for compliance, and fulfill their design potential as meaningful and effective management tools.

"Despite all of the obstacles, many local government managers have improved productivity in their organizations. They have been innovative, not because the path was easy but because they were determined to overcome the barriers to change." ⁵²

⁵¹ Ibid, pp. 15

⁵² Ammons David N.. "Common Barriers to Productivity Improvement in Local Government" in Public Sector Performance, Management, Motivation and Measurement. Ed Kearney, Richard C., Evan M. Berman. 1999. Westview Press, Boulder Colorado, USA.

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3rd Draft, March 1, 2004

Service Manager Expert Panel
A Service Measurement Framework for
Performance Indicators and Best Practices

Draft Project Charter

For Consideration by the Service Manager Expert Panel

Ron Gibson
Project Manager
Ontario Municipal CAOs Benchmarking Initiative

March 2004

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan

Sponsors: Social Housing Services Corporation
Municipal CAOs Steering Committee

Project Chair: TBA

Project Purpose

Project Purpose:

To formulate a Performance Indicators / Best Practices Service Measurement Framework that will facilitate, identify and develop appropriate housing specific performance measures, capture performance data, ensure data consistency, analyze results, identify benchmarks and assist in the identification of best practice options: to develop tools that support better business decisions.

Critical Success Factors

Critical Success Factors:

1. The establishment of a standardized Performance Indicators / Best Practices Service Measurement Framework that will consist of
 - service maps and benchmarking,
 - best practice identification protocols,
 - performance measures,
 - enabling technology
 - timely communication

to assist in tracking and improving overall program accountability, performance management and the identification of best practices.

2. Participants have agreed on the following key elements:

- keep it as simple as possible
- make it relevant
- keep it flexible / tailored
- make it credible
- build a genuine partnership
- make it sustainable

to ensure value consistent with definitions provided at the Share and Compare Workshop held July 2 & 3 2003 (see Appendix 1).

3. Due diligence to ensure that:

- the results are accompanied by a narrative (via a formal report and a presentation) to provide supporting information regarding factors behind the selection of the recommended approach
- the recommended approach has been examined and approved by the Social Housing Services Corporation and the Social Housing Services Managers Group.
- the findings are appropriately communicated to key internal and external stakeholders.

4. Development of reliable data that can be used for comparative analysis and identification of best practices.

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Project Goals

Project Goals:

1. To develop consistent, adaptable, user-friendly, generic performance management tools for both direct and indirect programs and services that will allow accurate financial and non-financial performance measurement of municipal housing programs and services.
2. To recommend an approach that incorporates efficiency, effectiveness, customer service and other environmental factors that drive municipal housing service delivery (i.e., different municipal goals, performance standards, staffing levels, quality of life service levels, etc.).
3. To develop standardized data definitions and data collection protocols.
4. To provide a framework for improved information for decision making within the municipal housing sector.
5. To monitor critical cost, quality and risk factors in service management.

Project Strategy

Major Workplan Elements

Assess other benchmarking initiatives:

1. Review of other initiatives and development of agreed upon assessment criteria that will facilitate the identification of best practices.
2. Review / consider list of benchmarking measures used in other initiatives (i.e., HouseMark, professional associations, etc.) presented by SHSC at the Share and Compare Workshop.
3. Review and assess these performance activities (against the criteria identified above).
4. Identify the lessons learned from each of these initiatives.

Development of a "Service Measurement Framework":

5. Formulate standardized cost accounting and data collection protocols to be used in performance measurement and identification of best practices.
6. Participate in the identification and review of opportunities to jointly develop information technology systems to capture performance measurement data.

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Project Strategy – continued

Development of Service Maps:

7. Develop a prototype Service Map for a cost, quality and / or high risks service areas.
8. Secure consensus of Service Manager Reference Group on Service Map(s).
9. Consult broader group of Service Mangers for input on the Service Map(s) and any other cost, quality and high risk service areas to be mapped.
10. Develop and prioritize performance indicators
11. Consult with service managers
12. Develop prioritized list of high-value Business Questions to guide identification of best practices.
13. Pilot Service Measurement Framework and revise as necessary prior to submission of final report .

Implementation Strategy:

14. Retain Project Manager and Project Consultants.
15. Under the direction of the Service Manager Expert Panel, the above will also create:
 - a workplan for disseminating the recommended Service Measurement Framework
 - a document that presents the Service Measurement Framework's methodology, processes and templates (if applicable)
 - standardized financial policies, activity-based cost accounting and data collection protocols to generate benchmarking data
16. Support the development of internal and external communications strategies to communicate the findings.
17. Test this framework on those programs and services that have already been selected for benchmarking.
18. Apply lessons learned to refine the framework for social housing.
19. Apply the refined framework to broader housing programs / services selected for benchmarking.

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Project Deliverables

- 1. Service Maps for a broad range of Housing Programs and Services:**
 - identification and selection of Housing Programs and Services for service mapping based on the following criteria:
 - cost, quality, and risk factors
 - impact on client quality of life
 - relevance to community issues / policy / integrated business planning
 - creation / development of service maps for identified cost / critical to quality / high-risk housing services
 - review / approval of Service Maps by Service Manager Expert Panel

- 2. A recommended Service Measurement Framework:**
 - a refined approach to benchmarking that is based on the collective experiences of other organizations
 - standardized financial policies, data collection, cost allocation and activity-based cost accounting protocols (some of these may follow after the framework has been developed – i.e., asset lifecycle costing)

- 3. A formal Workplan for the implementation of this framework:**
 - application of the standardized financial protocols, activity-based cost accounting and data collection protocols to generate benchmarking data
 - next steps for the testing of this framework (pilot planning, implementation, and reporting).
 - communication of the findings to key stakeholders.
 - a strategy for collecting performance measurement data, identifying best performers and best practices
 - a strategy for any possible expansion of the framework to other housing service areas or to other areas not included in the pilot.

Project Scope

Project Includes	Project Does Not Include
<ul style="list-style-type: none"> ➤ creation of assessment criteria ➤ review of other benchmarking initiatives with a summary of strengths, weaknesses and lessons learned ➤ development of Service Maps for all selected programs and services ➤ "high-level" performance measurement methodologies, processes, policies and templates ➤ formulation of a recommended approach called the "Service Measurement Framework" 	<ul style="list-style-type: none"> ➤ detailed service-specific standardized methodologies, processes and templates (i.e. detailed activity mapping of specific processes within a service area) ➤ application of the "Service Measurement Framework" to any performance measurement models external to this initiative

Project Schedule & Resources

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Schedule	Ongoing meetings will be held until completion of the project; refer to "Schedule B" (to be developed)
Costs	<p>Meeting costs: Nominal costs will be absorbed by SHSC or the municipality / district hosting these meetings; e.g., six to eight meetings to be hosted by SHSC (or a host municipality)</p> <p>Project Management / Consultant costs: Project Management mapping of selected programs and services, indicators, etc. as per agreement between SHSC and OMBI</p>

Staff Resources		
Name / Role	Membership	Accountability
<p><u>Service Manager Expert Panel</u></p> <ul style="list-style-type: none"> ➤ to oversee this project ➤ to make recommendations to SHSC and CAOs Steering Committee on strategic issues (e.g., work plan, resources, etc.) ➤ to liaise with stakeholders ➤ to report and communicate to CAOs, Coordination Team and Project Manager ➤ to manage resources allocated to Expert Panel ➤ to develop a participation strategy ➤ to participate in the development and implementation of a communications strategy (internal & external) 	<p><u>Municipal / District Service Mangers (or delegate)</u></p> <ul style="list-style-type: none"> ➤ Lora Beckwith (Niagara) ➤ Kathleen Blinkhorn (Toronto) ➤ Gary Champagne (Manitoulin-Sudbury DSSAB) ➤ Debora Daigle (Cornwall) ➤ Lola Dudley (Lambton County) ➤ Susan Earle (Bruce County) ➤ Rick Farrell (Brantford) ➤ Ken Foulds (Ottawa) ➤ Greg Grange (Kingston) ➤ Jeff MacCrae (Peel) ➤ Bob McKnight (Hamilton) ➤ Debbie Mills (Algoma DSAB) ➤ Scott Robertson (Hastings County) ➤ Mary Simpson (Durham) ➤ Christine Terry (York) ➤ Professional and / or Association Sector liaison ➤ Social Housing Services Corporation rep ➤ Project Manager ➤ Additional staff resources as required 	<ul style="list-style-type: none"> ➤ to their District or Municipality CAO / Council ➤ OMBI Steering Committee (Project Manager only) ➤ SHSC (Consultant only)

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Staff Resources - continued		
<p>OMBI Project Manager</p> <p>Under direction of the Expert Panel:</p> <ul style="list-style-type: none"> ➤ to draft Project Charter and Workplan ➤ to provide overall co-ordination and guidance in the development and implementation of the Charter and Project Workplan ➤ to create Service Maps for selected programs and services ➤ to liaise with SHSC consultants and Technology Team re: shared objectives ➤ to provide benchmarking methodologies for the achievement of program goals and objectives ➤ to liaise with stakeholder as required ➤ to draft a communication plan for stakeholders 	<ul style="list-style-type: none"> ➤ Ron Gibson, Project Manger ➤ other staff as required 	<ul style="list-style-type: none"> ➤ OMBI Steering Committee
<p>SHSC Consultants / Staff:</p> <ul style="list-style-type: none"> ➤ to co-ordinate the activities of the Service Manager Expert Panel with related initiatives with the Service Providers and Social Housing Services Corporation ➤ to act as a resource to Service Managers with respect to related activities of: <ul style="list-style-type: none"> ▪ Social Housing Services Corporation ▪ Social Housing Providers ▪ Technology Support Group ➤ to serve as a conduit for communication 	<ul style="list-style-type: none"> ➤ As determined by SHSC 	<ul style="list-style-type: none"> ➤ SHSC Board
<p>Other Service Managers:</p> <ul style="list-style-type: none"> ➤ to serve as a conduit for communication ➤ to provide feedback from Service Manager consultations and as any other issues arise ➤ to promote the work of the Service Manager Expert Panel within their own organizations ➤ to implement the final Service Measurement Framework 	<ul style="list-style-type: none"> ➤ Non-Expert Panel Service Managers 	<ul style="list-style-type: none"> ➤ Municipal / District Committees and Councils

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Staff Resources - continued		
<p>SHSC Technology Team:</p> <ul style="list-style-type: none"> ➤ to inventory and prioritize user requirements ➤ to develop overall system parameters in order to optimally meet user requirements such that system is: <ul style="list-style-type: none"> ▪ user friendly ▪ secure ▪ searchable ▪ accurate ▪ reliable ▪ cost-effective ▪ flexible ▪ expandable ▪ sustainable <p>As defined by its users:</p> <ul style="list-style-type: none"> ➤ to develop programming in order to meet the above requirements ➤ to co-ordinate the activities of the Technology Support Group with Service Manager Expert Panel and their Project Manager. ➤ to report to SHSC Consultant and SHSC as may be required ➤ to provide enhancements as may be required ➤ to act as a technical resource to interface with <ul style="list-style-type: none"> ▪ Social Housing Services Corporation ▪ Social Housing Providers ▪ MMAH MPMP ▪ MMAH S-MIR ▪ other agencies as may be required 	<ul style="list-style-type: none"> ➤ Ron Gibson ➤ Members of Technology Team 	<ul style="list-style-type: none"> ➤ SHSC

Schedule B - Project Workplan

Overview of Workplan

1. Develop Charter and Workplan
2. Define Terms/Formulate Glossary
3. Map Services (Using Logic models)
4. Develop Performance Indicators
5. Consult with Key Stakeholders
6. Test Model Framework
7. File Report and Recommendations

(See workplan below for details)

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

Schedule B - Project Workplan

<u>Tasks</u>	<u>Milestone</u>	<u>Timeline</u>
<p>1. Kick-off (Share and Compare Workshop)</p> <p>2. Selection of Expert Panel</p> <p>4. <u>First Meeting</u></p> <ul style="list-style-type: none"> ▪ initiate Project Planning ▪ provide Overview ▪ define overall Mission ▪ define Deliverables ▪ define Critical Success Factors <p><u>Follow-up: Draft Project Charter</u></p> <ul style="list-style-type: none"> ▪ Project Purpose ▪ Critical Success Factors ▪ Project Goals ▪ Project Strategy ▪ Project Deliverables ▪ Project Scope ▪ Staff Resources ▪ Project Workplan ▪ Communication Plan 	<p>Kick-off</p> <p>Selection of Expert Panel</p>	<p>Suggested work dates in original contract with OMBI called for formation of Expert Panel by May 2003; meeting schedule to be adopted by SMRG drives current timelines</p> <p>(the present meeting schedule suggests Pilot could begin in June to September 2004)</p>
<p>5. <u>Second Meeting</u></p> <ul style="list-style-type: none"> ▪ review revise / approve Draft Charter ▪ revise / approve draft Communication Plan ▪ Program Service / Mapping Training ▪ Initiative Program / Service Mapping <p><u>Follow-up</u></p> <ul style="list-style-type: none"> ▪ complete Draft Program / Service Map ▪ communicate - Project Charter, Program Mission, Outcomes 	<p>Approval of Project Charter</p>	
<p>6. <u>Third Meeting</u></p> <ul style="list-style-type: none"> ▪ review feedback ▪ complete Service Mapping ▪ Performance Indicator Training ▪ initiate Indicator Development <p><u>Follow-up</u></p> <ul style="list-style-type: none"> ▪ draft Service Maps ▪ communicate status & Service Mapping ▪ liaise with IT support group 	<p>Completed Service Maps</p>	

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

1.

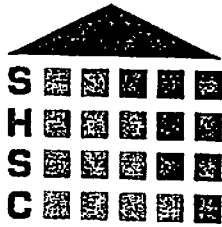
(See Schedule B below for Workplan Details)

Schedule B - Project Workplan - continued		
<p>7. <u>Fourth Meeting</u></p> <ul style="list-style-type: none"> ▪ review feedback ▪ refine Service Maps ▪ continue (complete?) Indicator Development ▪ develop Data Dictionary <p><u>Follow-up</u></p> <ul style="list-style-type: none"> ▪ complete Data Dictionary documentation ▪ communicate draft Indicators ▪ liaise with IT support group 	<p>Completion of Data Dictionary</p> <p>Completion of Written Data Collection Protocols</p>	
<p>8. <u>Fifth Meeting</u></p> <ul style="list-style-type: none"> ▪ review feedback ▪ revise / approve Data Dictionary ▪ develop Protocols ▪ plan pilot roll-out ▪ liaise with Data support group <p><u>Follow-up</u></p> <ul style="list-style-type: none"> ▪ communicate Data Dictionary and Protocols ▪ linkage with Pilot Project hosts ▪ update members of Expert Panel ▪ linkage with Technology support group <p>9. <u>Sixth Meeting</u></p> <ul style="list-style-type: none"> ▪ assess data ▪ identify trends and anomalies ▪ revise Indicators, Dictionary, Protocols ▪ overall evaluation of Pilot and recommendations <p><u>Follow-up</u></p> <ul style="list-style-type: none"> ▪ plan Communication Forum for larger group ▪ solicit feedback on Measures and Indicators for MPMP ▪ establish next steps <p>10. <u>Seventh Meeting</u></p> <ul style="list-style-type: none"> ▪ review feedback ▪ follow-up actions ▪ close of Development Phase 	<p><u>Implementation - Pilot Project</u></p> <ul style="list-style-type: none"> ▪ pre-collection ▪ data collection ▪ compile data ▪ data cleansing ▪ data analysis ▪ data cleansing ▪ preliminary findings ▪ recommendations ▪ documentation <p>Presentation of Pilot Study results</p>	

Project Name: Service Manager Expert Panel - Draft Project Charter / Workplan	
Sponsors: Social Housing Services Corporation Municipal CAOs Steering Committee	Project Chair: TBA

[additional meetings TBA (if needed)]		
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TERMS OF REFERENCE

OMBI AND SHSC PERFORMANCE INDICATOR EXERCISE

SECTION I: BACKGROUND

1. History of Devolution:

- In 1997 the province announced, as part of the "who does what exercise" that municipalities would assume the funding and administration of provincially funded social housing programs.
- In 1999, this transfer was expanded to include the federal funded socially housing programs.
- In anticipation of the operational transfer, the province began to bill the municipalities for the program costs (not including program administration). In response, the municipalities proclaimed the need for 'say for pay'.
- In 2000 and in consultation with a small group of municipal leaders, the province designed the operational transfer of social housing to the municipalities. At that time, it was agreed that some program and policy elements would be changed before the actual transfer took place.
- The management cultures as well as the accounting for both the costs of administration and the cost of managing the LHC portfolio were quite different from those developed for the non-profit and coop programs. The operational transfer was seen to be an appropriate time to simplify and streamline all the programs, including the LHC portfolio.

2. Performance Management Systems in the Past:

A number of performance management systems were either developed or contemplated by those delivering and administering social housing over the years. While the idea of a performance management system is universally seen as a positive, each attempt to produce such a system has met with difficulties.

The following is a partial list of the different attempts to measure performance undertaken by the Provincial and federal governments. For the most part, housing programs were community based and developed for specific client groups, each with different funding arrangements and program types (e.g. MOH/COMSOC). Over the years, the province developed a huge database of comparables but was never able to design a system where providers could voluntarily input data or use this data to improve their own operations.

2.1. OHC Costing and Benchmarking System

The Ontario Housing Corporation (OHC) was created as a centralized agent of the Crown. OHC held title to the properties, was responsible for policy oversight and held the accountability for the funding of the overall program. Local Housing Corporations (LHCs) were created by the OHC to be responsible for managing the housing portfolio within OHC approved program and policy parameters. In addition, budgets were set and funding was approved by OHC.

Over the last 10 years OHC made a number of attempts to develop a performance management system and to set indicators to be used by LHCs. However, these attempts were met with both cynicism and reluctance on the part of the LHC managers. Culturally, the OHC had established itself as an agency which monitored and policed the programs centrally. Therefore, every attempt to bring in a performance management system was seen by LHCs as a tool to be used by OHC to further police them in absence of any local context, not a continuous business improvement tool.

In reaction to this belief, a number of the LHCs developed a number of their own benchmarks which were specific to managing their housing portfolio. The LHCs used these benchmarks as a means by which they could compare themselves on such items as rental arrears and vacancies.

In the last few years, OHC revisited benchmarks in conjunction with the Ministry of Municipal Affairs and Housing (MMAH). The result was two sets of benchmarks. The first set was developed to measure the effective administration of the LHC portfolio. Included within these benchmarks were such items as the number of administration staff, management staff or maintenance staff per unit. The second set of benchmarks was for OHC staff and included benchmarks around communications, legal, accounting, policy and board support. Both sets of benchmarks were criticized because neither

offered a comparison to either the private sector or other non-profit management systems and hence represented a "closed" system of measurement.

The legislation for the operational transfer was proclaimed in December 2000 with an immediate transfer of the then OHC portfolio to the municipalities (i.e. 47 local housing authorities to the service managers). The OHC benchmarking system was not used post-transfer as, without a central agency collecting and administering data, the system became futile.

2.2. Non-Profit and Coop Program System for Comparing Costs

Beginning in the late 1970s, both the federal and provincial governments developed and delivered a number of non-profit and cooperative housing programs both unilaterally and in partnership. Each government tried to tackle the problems of measuring and comparing costs, both during the construction and the administration stages, however no overall system was ever successfully implemented. CMHC, the federal housing agency, attempted to create a system of key indicators which would flag projects which may fall into potential difficulty. Included within these indicators were items such as turnover rates, vacancy rates and comparisons of operating costs. These indicators were never formalized or incorporated into computer technology.

The provider organizations (ONPHA and CHFC) have also made a number of efforts to develop a performance management system similar to the British or American systems but they were never able to successfully get off the ground.

2.3. JoHomes and Performance Indicators:

In 1992 the province developed an electronic system for comparing both construction and administrative costs within the Jobs Homes Ontario program. Unfortunately, the system and the data were lost when the program was terminated in 1996.

3. Provincial 'Benchmarking and the Legislation'

For the past three years the province has worked in cooperation with a number of housing providers and their organizations (ONPHA and CHFC) to develop benchmarks for housing providers. After lengthy analysis and negotiations these 'benchmarks' were itemized and their formulas were included in the Social Housing Reform Act (SHRA) when it was proclaimed. It was intended that the actual 'benchmarks' would be later proclaimed by way of Regulation.

After the SHRA was proclaimed, it became clear that these 'benchmarks' were in fact a system for base year budgeting and not performance indicators by which providers

could measure themselves. There is a fear that these benchmarks, if used alone, could become extremely limiting and restrictive both to the funder and the provider.

4. MMAH Benchmarks for Administering the Programs

Under provincial administration, the social housing stock was administered and subsidized out of two separate funding envelopes. As such, in 1992 MMAH benchmarked the administration of the social housing program internally. Included within these benchmarks were such items as the number of provider files per staff, the percentage of projects in difficulty and the administrative office costs per region. Neither the benchmarks nor these costs were included in the transfer calculations. This is due to the fact that the municipality is expected to manage both the administration and the subsidy out of one funding envelope.

The ability of each municipality to manage their housing stock within the funding model is currently enhanced due to lower mortgage rates. However, any change in the economy will mean that the municipality will be required to administer its portfolio with a smaller and smaller pot of money. This will be particularly severe for smaller service managers who will be required to administer their portfolio within a very narrow budget. This fact alone speaks to the importance of a performance indicator/best practices initiative. Any savings which may be generated from cost-effective or efficient best practices provides the municipality with greater flexibility in managing their stock within the established funding levels.

SECTION II: TERMS OF REFERENCE FOR SERVICE MANAGER HOUSING ADMINISTRATION COMPONENT

With the proclamation of the Part VIII (*Social Housing Services Corporation*) of the SHRA, the province has formalized the need for the development of a best practices/ performance indicators management system. The SHRA states that one of SHSC's objects is as follows:

"to undertake studies and provide advice to the province, service managers and prescribed housing providers with respect to the establishment and use of benchmarks and best practices to achieve the efficient and effective provision of housing."

In addition, the SHRA states that the SHSC board of directors may "study the costs and processes used in the provision of housing to which this Act applies and advise service managers and prescribed housing providers how these costs could be reduced and processes improved."

The SHSC board believes that there is considerable opportunity to provide value to its members, both providers and service managers, through the development and administration of a performance management system. Based on the lessons learned from the initiatives undertaken by the province, OHC and provider organizations in the past, it is clear that two key variables must be in place in order for a performance management system to succeed. These two variables are voluntary participation and "ownership" by users; and the need for one central body to administer the system in order to pool information and ensure that data is current.

Creating a partnership between SHSC and OMBI on this initiative provides the best means to ensure that both variables are addressed. OMBI is able to bring expertise, experience and a direct link to the Regional CAOs. On all of its programs, the SHSC board of directors receives a consistent message from service managers, which is that they want to play a significant role in the design of SHSC programs in order to ensure that they are relevant and cost-effective. Establishing this initiative through OMBI will allow service managers to not only participate in the design of the initiative but also to direct it and make it their own. SHSC is able to provide two key elements to this initiative; funding and objectivity. SHSC is currently receiving seed money from the province to further its objects, as such; SHSC is able to provide the necessary funding to develop a performance management system. Second, SHSC is an independent entity which does not have a vested interest in the outcome of any of the indicators. As such, SHSC is able to bring a level of objectivity to the system which will be necessary long-term.

1. Expert Panel

In keeping with the philosophy of OMBI, the development of key performance indicators and their integration into a performance management system will be overseen by a panel of experts. The composition of the expert panel should reflect the following:

- Diversity of service delivery forms, including large vs. small municipalities, GTA vs. non-GTA (province-wide), and governance structure (i.e. separate board, municipal department or municipal division).
- Diversity of housing representatives, including members of ORSHG, CMSMs, DSSABS.
- Diversity of governance models used. Representatives of innovative service delivery models, desirable models and common service delivery models.
- Representatives who have a profile and reputation in the housing world – able to sell the approach.
- Representatives who are willing to take a balanced view to the creation of indicators.

2. Project Scope/Deliverables:

The intent of the overall project is to create two interlinking systems, one for housing providers and one for service managers. **It should be noted that these Terms of Reference refer only to the second system; that for service managers.** However, it is important to understand the larger context of this project when reviewing the Terms of Reference (please see Attachment 1 for a schematic representation of the overall project.) The detailed elements of both are defined as follows:

1. Performance Management System for Housing Providers

- Indicators to be developed and reviewed by a panel of housing providers and organizational (ONPHA & CHFC) representatives.
- 4-5 simple performance indicators to be developed.
- System to provide housing providers access to broader and more detailed data in order for them to see examples of best practices.
- Participation in system is fully voluntary.
- The system and the data are not legislated, enforced or policed.
- This system will link to the service managers system

2. Performance Management System for Service Managers

- Indicators to be developed and reviewed by a panel of service manager representatives coordinated by OMBI.

- performance indicators to be developed and piloted.
- Indicators must have maximum relevance for municipalities.
- This information to serve as a means to influence and direct the province's MPMP initiative.

3. Timing for OMBI deliverables for Service Manager housing administration component

- Establish expert panel – May 2003
- Create a set of interim performance indicators - October 2003
- Initiate consultation and feedback – November-December 2003
- Develop a working set of indicators for “pilot” implementation - January 2004
- Analysis of “pilot” and revision to indicators – January-March 2004-2005
- Implementation of Year 1 of performance measurement program – April 2005

It is anticipated that there will be a need for a full year “pilot” of the performance measurement program during which time the indicators will be tested against reality. Results of this “pilot” will provide the expert panel with important information from which to revise indicators to better reflect reality and to secure buy-in from all participants.

After “pilot” data has been received and reviewed, the expert panel will examine the following:

- identify who were the best performers,
- identify which type of organizational form they use,
- develop hypotheses and possibly collect additional data (indicators) or initiate more sophisticated data analysis,
- review definitions, interpretation/collection protocols and data quality (anomalies, data holes, etc.)

A modified performance measurement program would then be implemented for a Year 1 period of trial.

4. Challenges

As of May 2002, the province had fully devolved social housing administration to the service managers. During their first year of administration, most municipalities have developed their own unique model for incorporating housing into their organizational and governance structure. For instance, some municipalities administer their LHC as an independent corporation while others have brought the LHC under their administrative wing. In addition, how “social” housing is defined and managed differs from municipality to municipality. Some municipalities have taken a very broad view of social housing and have grouped all homelessness, shelter support and affordable housing within one function. Factoring such diversity within one performance management system poses a significant challenge. This issue will have to be

considered by the expert panel in their analysis as, depending on the amount of data provided, segmenting the indicators may have a detrimental effect on the viability of the system.

The development of best practices and performance indicators has proven itself to be difficult task. It should be expected that the process will be one of continuous learning and refinement. The intent of the SHSC/OMBI partnership is to create a stable means by which a performance management system may be developed and then monitored and adjusted to meet new fiscal or political realities. Although it is not the intention of SHSC to continuously revisit the indicators, it is recognized that there is a long-term requirement to monitor and refine the indicators in order to ensure their relevance and accuracy.

5. The SHSC and OMBI Relationship:

5.1 Short Term Roles/Responsibilities

SHSC	OMBI
<ul style="list-style-type: none"> ▪ Provide coordination and administrative support to OMBI and their expert panel. 	<ul style="list-style-type: none"> ▪ Develop a limited number of performance indicators for the administration of the social housing portfolio to be included within the overall OMBI benchmarking exercise.
<ul style="list-style-type: none"> ▪ Fund the travel and meeting expenses for OMBI staff for the duration of the performance indicator exercise. 	<ul style="list-style-type: none"> ▪ Define "social housing" for this exercise (i.e. all housing including transferred programs, emergency shelters, homelessness, homes for aged, MCSS and MOH funded housing)
<ul style="list-style-type: none"> ▪ Fund other resources as needed by OMBI up to \$30,000 per annum. 	<ul style="list-style-type: none"> ▪ Create a panel of approx. 10 experts. ▪ Meet regularly to achieve deliverables
<ul style="list-style-type: none"> ▪ Provide infrastructure and support to OMBI (committee and staff) and the housing provider experts. 	<ul style="list-style-type: none"> ▪ Provide coordination and direction to the expert panel to enable them to meet their deliverables.

5.2 Long Term Roles/Responsibilities

SHSC	OMBI
<ul style="list-style-type: none"> ▪ Provide the interlinking infrastructure, a "performance management system" 	<ul style="list-style-type: none"> ▪ Ongoing review and refinement of performance indicators.
<ul style="list-style-type: none"> ▪ Serve as liaison and clearinghouse of information in support of the performance management systems. 	<ul style="list-style-type: none"> ▪ Work with SHSC on data analysis and research as part of continuous improvement.
<ul style="list-style-type: none"> ▪ Support OMBI in the ongoing review and analysis of the indicators. 	<ul style="list-style-type: none"> ▪ Report to the CAOs and SHSC regularly as agreed.
<ul style="list-style-type: none"> ▪ Develop tools and guides as per the findings of the performance management system and on recommendations from the expert panel. 	<ul style="list-style-type: none"> ▪ Attempt to influence the province's MPMP initiative.
<ul style="list-style-type: none"> ▪ Provide support for tools and information (including resources) to those service managers and providers who request or need such support. 	<ul style="list-style-type: none"> ▪ Identify "best" performers and identify tools and guides to support other municipalities to make similar gains.
<ul style="list-style-type: none"> ▪ Work with the sector organizations in supporting the system through communication, marketing, information and resources. 	<ul style="list-style-type: none"> ▪ Review organizational/governance models used and identify tools to help municipalities in this regard.
	<ul style="list-style-type: none"> ▪ Initiate further analysis to understand where new indicators may be required or where definitions must be further refined.

SECTION III: AGREEMENT TO THE TERMS OF REFERENCE

We the undersigned agree to the terms as set out in this Terms of Reference.

Lindsey Reed
SHSC

Who?
OMBI

Performance Indicators and Best Practices in Housing for Service Managers
Project Questions & Answers
March 2004

Q: What is the purpose of this project?

A. The purpose of this project is to develop a system to support service managers in strategic planning and effective decision-making.

A separate process is just starting up for housing providers. It will involve the Ontario Non-Profit Housing Association and the Co-operative Housing Federation of Canada.

Q: What's in it for me? What are the benefits?

A: A strong performance indicator and best practices system offers service managers valuable tools for your business. Meaningful, relevant data about your organization can be used to make informed business decisions, justify budget and strategic decisions, and confirm to yourself and others that you are operating effectively and efficiently.

Q: Why do this work now?

A: Housing is a relatively new responsibility for service managers. A system of performance indicators and best practices would be a timely tool. The public and all levels of government are also more interested than ever before in greater transparency and accountability.

As well, the province is expected to expand the Municipal Performance Measurement Program to include housing indicators within the next couple of years. The expert panel's work could feed into that process so that the indicators used are relevant.

Q: Why bother? We've tried this many times in the past and it didn't work...

A: Panel members wouldn't be giving this project their time and energy if they were not convinced of the potential benefits for service managers

In addition, with the increased interest in accountability and performance management in all sectors in recent years, we're learning smarter ways to look at performance, and developing better support technology.

Q: Who's on the Expert Panel?

A: The members of the Service Manager Expert Panel are all service managers. They represent large and small service managers across the province, from all geographic areas, and districts, regions, cities and counties. They also encompass many different organizational forms of the service manager role.

Members are:

- Lora Beckwith (Niagara Region)
- Kathleen Blinkhorn (Toronto)
- Gary Champagne (Manitoulin-Sudbury DSSAB)
- Debora Daigle (Cornwall)
- Susan Earle (Bruce County)
- Rick Farrell (Brantford)
- Ken Foulds (Ottawa)
- Greg Grange (Kingston)
- Jeff MacCrae (Peel Region)
- Bob McKnight (Hamilton)
- Debbie Mills (Algoma DSAB)
- Scott Robertson (Hastings County)
- Mary Simpson (Durham Region)
- Christine Terry (York Region)

Q: How will Service Managers be kept informed about this project?

A: The Service Manager Expert Panel will keep in touch with service managers across the province through bulletins like this one, and through consultation at key points in the project, such as the completion of the service maps, the draft performance indicators, and the results of pilot testing. Service managers are also encouraged to contact individual panel members anytime to discuss the project. (See the list above.)

October 3, 2000

To: Heads of Council:

I am writing to inform you that the Ministry of Municipal Affairs and Housing is introducing a new initiative designed to enhance local service delivery and strengthen government accountability to taxpayers. This new initiative is called the Municipal Performance Measurement Program.

For many months, a number of municipalities have participated in various performance measurement and benchmarking exercises. They have identified, examined and refined indicators and measures that can help municipalities find ways to deliver higher-quality services more efficiently. A great deal of good work and solid results have emerged from these efforts, and I would like to thank those who contributed their time and considerable energy in this regard.

Many municipalities have been asking the province to bring forward a program that builds on these efforts and sets out a standardized and comparable approach to performance measurement for all municipalities. I am pleased to announce this new, cutting-edge program in response.

Starting with 2000 data, municipalities will begin to collect data that can be used to measure performances in nine core service areas, including waste management, roads and water services. Municipalities will then submit this data to the province through a revised financial information return, which will be available on the Internet.

Municipalities will be required to report performance results to their taxpayers in 2001. The province will compile the data from all municipalities and produce a summary of results. (The attached fact sheet outlines further details.) You will receive formal requirements, including definitions for the measures, in the very near future.

This program will allow municipalities to compare their costs, both internally, year to year, and in relation to other jurisdictions. It can also become a forum for highlighting successes and for sharing a wealth of knowledge, recognizing that somewhere in Ontario a local government has found a more efficient, more effective way to deliver a similar service.

- 2 -

Heads of Council

An excellent management and reporting tool, performance measurement is gaining momentum in the public sector. While it is used mainly on a voluntary or sector-specific basis in other jurisdictions, nowhere in North America does a systematic performance measurement program like this one exist. What sets this program apart is that it benefits from the participation of all local governments and gives taxpayers current information on the quality and cost of services in their communities. I expect that jurisdictions around the world will use Ontario as a model.

To support municipalities through the process of implementing this program, ministry staff will hold regionally based training workshops. You will also soon receive a comprehensive handbook and other support materials to assist you in implementing this program.

At the recent AMO conference in Ottawa, I spoke about a new and stronger provincial-municipal relationship – one that combines increased responsibility with better service and clear accountability. I am sure municipal leaders agree that implementing innovative approaches that lead to better services – and reporting on the success of these efforts – are excellent ways to support enhanced accountability. I believe this initiative underpins a new relationship and meets our mutual goals of better-quality and lower-cost services for taxpayers.

I welcome your input into this process and look forward to your participation in assessing and building on this program over time. With ongoing input from local governments and relevant organizations, the ministry will further refine the measures and develop new ones for different service areas for subsequent years.

I am convinced that this program will be an important contribution to both better-quality and more cost-effective local services and that it will advance the dialogue and discussion among taxpayers, whom we all serve.

Yours very truly,

Tony Clement
Minister

Attachment:
Fact sheet



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Taxpayers to receive municipal report card

Release: October 3, 2000

ALLISTON, ONTARIO – Taxpayers in Ontario will be the first in North America to receive an annual report card showing how well their local governments deliver key municipal services, Municipal Affairs and Housing Minister Tony Clement announced today.

"Ontario municipalities have more authority now than they had in the past and, with increased authority, comes the need for greater accountability," the minister said. "We're aiming for better municipal services and clear government accountability."

Calling it "cutting-edge," the minister announced the program today at the annual Counties and Regions conference.

Starting with 2000 data, all municipalities will measure their performances in nine high-cost service areas, including water, fire and road services. They will then submit their data to the province and inform taxpayers on how effective and efficient they were in delivering these services. Taxpayers can expect the first report from their municipalities next summer.

Municipalities will be able to compare their costs and performances, both internally, year to year, and in relation to other Ontario jurisdictions. By sharing their methods with other communities, municipalities can continuously improve their performances.

"Municipalities across Ontario have found more efficient, more effective ways to deliver services," the minister explained. "Measuring and reporting on performance is a systematic means of sharing a wealth of information and experience for the benefit of taxpayers across the province.

"What sets this program apart is that all local governments will participate and taxpayers will have access to current information on the quality and cost of services in their communities," he added. "I expect jurisdictions around the world will use Ontario as a model."

The ministry will work with municipalities to further refine the current measures, based on experiences in the first year, and issue additional measures for 2001.

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Fact Sheet: Municipal Performance Measurement Program

For more information, please contact:

Amanda McWhirter
Minister's Office
Ministry of Municipal Affairs and Housing
(416) 585-6932

Larry Clay
Director, Municipal Support Services Branch
Ministry of Municipal Affairs and Housing
(416) 585-7264

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Release: October 3, 2000

Municipal Performance Measurement Program

The Ministry of Municipal Affairs and Housing is implementing a mandatory program, in which all Ontario municipalities will measure their performances in nine core service areas and report on their performances to taxpayers.

The goals of this program are better local services and clear accountability to taxpayers.

Background

Performance measurement is a management tool for continuously improving performance. This practice is fundamental to better services and clear government accountability: key priorities for the Ontario government.

Measuring performance is becoming common in the Ontario government. Systems of performance measurement have been adopted within the housing, health and education sectors. As well, the Ministry of Municipal Affairs and Housing is improving or establishing operational practices and systems that relate to local governments. Examples include a revised financial information return and public-sector accounting board standards for financial reporting.

The ministry has also supported several performance-measurement initiatives. One of these is the Municipal Services Performance Measures Project. It brought together 55 municipalities of varying sizes to develop broad efficiency and effectiveness measures in 12 service areas, which the municipalities chose themselves.

Another is the CAO Benchmarking Study, initiated by the chief administrative officers of 11 regional municipalities and three large cities — Toronto, London and Thunder Bay. This group represents about 80 per cent of Ontario residents. Participants in this two-part study developed precise measures for winter road maintenance, long-term care, water, waste water, solid waste disposal and land ambulance. These measures are mostly relevant to the municipalities that participated in the study.

The Municipal Performance Measurement Program builds on these related initiatives.

Objectives

The ministry's goals are to:

- promote better local services, continuous improvement in service delivery and clear government accountability;
- improve taxpayer awareness of municipal service delivery; and
- compare costs and level of performances of municipal services both internally, year to year, and externally among municipalities.

Services to Be Measured

What follows are the nine service areas and examples of measures:

- water (operating costs of water treatment and distribution; continual supply of quality water)
- sewage (sewer-main backups; outcomes of monitoring tests at treatment facilities)
- garbage (operating costs of waste collection; outcomes of applicable monitoring tests)
- fire services (operating costs of fire services; fire loss)
- police services (operating costs of police services; cases cleared)
- social services (percentage of people participating in welfare-to-work activities; number of people receiving social assistance under Ontario Works)
- local government (operating costs for municipal administration and for council members)
- land-use planning (percentage of new lots created in settlement areas; percentage of agricultural land retained in an agricultural designation)
- transportation (operating costs for conventional transit; adequacy of roads for summer)

In the coming weeks, the ministry will provide municipalities with more detailed instructions and definitions of measures.

Measures

- The ministry has developed 35 measures of performance (see examples above).
- Most are identified as measures for which data are relatively accessible for most municipalities.
- The measures relate to service areas that represent some 80 per cent of municipal

operating budgets.

Reporting Requirements

- Municipalities are required to submit 2000 data through this year's financial information return by April 30, 2001. The ministry is revising the return to accommodate the data. The revised version will be available on the ministry's Web site early in 2001.
- Municipalities will report to taxpayers by June 30, 2001; the ministry will provide reporting guidelines.
- Municipalities can report to taxpayers in several ways, including direct mail and a notice in local newspapers.

For more information, please contact:

Larry Clay
Director, Municipal Support Services Branch
Ministry of Municipal Affairs and Housing
(416) 585-7264

Kathi Zarfas-Outram

From: Kathi Zarfas [zarfas-outram@sympatico.ca]
Sent: Monday, July 26, 2004 9:08 PM
To: Kathi Zarfas-Outram
Cc: lgerry@region.waterloo.on.ca
Subject: MAH - Letter to Heads of Council From Tony Clement, regarding formal requiremen



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Letter to Heads of Council From Tony Clement, regarding formal requirements for the Municipal Performance Measurement Program

December 8, 2000

Heads of Council

[Re: Municipal Performance Measurement Program]

Dear Heads of Council:

Further to my letter dated October 3, 2000, I am writing to advise you of the formal requirements for the Municipal Performance Measurement Program.

When I introduced this program, I described it as cutting-edge, the first of its kind in North America and one that will likely become a model for other jurisdictions. This program is also a part of the province's effort to balance greater municipal authority with better accountability – something I have spoken about a great deal and a probable feature in a new Municipal Act.

Many municipal leaders have welcomed this program. They have said the principles it puts forward are ones they support and, in fact, already practise to some extent. I appreciate this feedback and hope it continues. Your input is integral to further refining the measures and to developing new ones for subsequent years. With your feedback, this program will work to its full potential for the benefit of our constituents.

In terms of formal obligations, municipalities are required to provide the ministry with information on efficiency and effectiveness of service delivery in nine core service areas, pursuant to Section 83.1 of *Municipal Act*. Attached is a schedule setting out the requirements for submitting data to the province with a chart describing the measures for which municipalities are required to collect data.

You will soon receive a comprehensive handbook, detailed definitions and other information materials that will help you implement this program. For additional support, ministry staff will hold regionally based training workshops early in the new year.

In the meantime, should you have questions, please feel free to contact the ministry's Municipal Support Services Branch at (416) 585-7296.

Yours very truly,

[Original signed by]

Tony Clement
Minister

MUNICIPAL PERFORMANCE MEASUREMENT

Made under Section 83.1 of the Municipal Act

Schedule dated 8 December 2000

PROVISION OF DESIGNATED MUNICIPAL INFORMATION

1. (1) A municipality shall in respect of each municipal fiscal year provide to the Minister of Municipal Affairs and Housing (the "Minister") the performance measurement information designated in the attached chart (the "chart"). The chart forms part of this Schedule.

(2) The information provided by a municipality under subsection (1) shall include performance measurement information for any planning board, police services board, public utility commission or transit commission of the municipality. (3) This section does not include any requirement for an entity described in clause (b), (c), (d) or (e) of subsection 83.1(1) of the Municipal Act to provide performance measurement information directly to the Minister.

2. A municipality shall provide the information required by section 1 to the Minister not later than four months after the last day of the fiscal year to which the information relates.

3. A municipality shall provide the information required by section 1 by reporting that information in those schedules or lines in the municipality's financial information return for the relevant municipal fiscal year that correspond to the service or function performance measurement categories designated in the chart.

4. A planning board, police services board, public utility commission or transit commission of a municipality shall make available for review by the municipality any performance measurement information designated in the chart related to services or functions supplied in respect of that municipality by the board or commission in a fiscal year.

APPLICATION

5. If a municipality does not supply a service or function at any time in a fiscal year, section 1 does not include any requirement for the municipality to provide information related to that service or function designated in the chart for the fiscal year.

6. Despite anything in this Schedule, only a municipality designated as a delivery agent under the Ontario Works Act, 1997 is required to provide information to the Minister with respect to items 34 and 35 listed in the chart.

7. In this Schedule, "supply" means supply pursuant to a statute, bylaw or resolution or an arrangement or agreement with any person or municipality, and "supplied" has a corresponding meaning.

MUNICIPAL PERFORMANCE MEASUREMENT INFORMATION

REPORTING CATEGORIES

Garbage (Solid Waste Management)

1. Operating costs for waste collection per ton or per household.
2. Operating costs for waste disposal per ton or per household
2. Operating costs for recycling per ton or per household.

A municipality providing information under items 1, 2 or 3 shall provide the information on a per household basis only if the information is not available on a per ton basis.

4. Test results for solid waste disposal sites
5. Number of complaints concerning the collection of garbage and recycled materials per ton collected per 1,000 households.
6. Percentage of residential solid waste diverted for recycling and tons of solid waste recycled.
7. Percentage of industrial, commercial and institutional solid waste diverted for recycling and tons of solid waste recycled.

Sewage

8. Operating costs for collection of sewage and stormwater per kilometre of sewer line.
9. Operating costs for treatment and disposal of sewage and stormwater per cubic metre treated.
10. Number of sewer-main backups per kilometre of sewer line.
11. Test results for sewage treatment operations.
12. Number of hours when untreated or partially treated sewage was released into a lake or natural water course.

Water

13. Operating costs for water treatment per million litres of water treated.
14. Operating costs for water distribution per kilometre of distribution pipe.
15. Percentage of water produced that is not billed.
16. Test results for water treatment and distribution systems.
17. Number of breaks in water mains per kilometre of water main pipe.

18. Number of days when a boil-water advisory issued by the Medical Officer of Health and applicable a municipal water supply was in effect.

Transportation

19. Operating costs for paved roads per lane kilometre.

20. Percentage of paved lane kilometres rated adequate.

21. Operating costs for unpaved roads per lane kilometre.

22. Operating costs for winter control maintenance of roadways per lane kilometre.

23. Percentage of winter-event responses that meet or exceed municipal road maintenance standard:

24. Number of conventional transit passenger trips per person in the service area.

25. Operating costs for conventional transit per regular service passenger trip.

Fire

26. Operating costs for fire services per \$1,000 of assessment.

27. Total dollar losses due to structural fires, averaged over three years, per \$1,000 of assessment.

Police

28. Operating costs for police services per \$1,000 of assessment.

29. Percentage of cases cleared for the following Statistics Canada categories: violent crimes; property crimes; other Criminal Code crimes (excluding traffic); Criminal Code traffic; drugs; crimes under other federal statutes.

Local Government

30. Operating costs for municipal administration as a percentage of total municipal operating costs.

31. Operating costs for members of council per capita and as a percentage of total municipal operating costs.

Land-Use Planning

32. Number and percentage of new lots approved that are located in settlement areas.

33. Percentage of designated agricultural land preserved.

Social Services

34. Percentage of persons receiving Ontario Works assistance that participated in welfare-to-work activities.

35. Percentage change in the number of people receiving social assistance.

A municipality providing information under items 34 and 35 shall provide it in respect of the geograph area designated for that municipality as a delivery agent under the Ontario Works Act, 1997.

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Letter to Heads of Council From Tony Clement, regarding Amendments to Housing Reform Act, 2000 (with attached Fact Sheet)

December 21, 2000

TO: Heads of Council

RE: **Social Housing Reform Act, 2000 (Bill 128)**

I am pleased to inform you that the Ontario Legislature has passed Bill 128, which allows for the transfer of social housing from the province to municipalities and district social services administration boards. This legislation enables the government to fulfill its commitment to put a vital service in the hands of those best positioned to respond to local needs. It also reflects much of what we heard from municipalities, housing providers and other interested stakeholders during our three years of extensive consultation.

As a result of this legislation, corporations controlled by municipalities will own and operate 84,000 public housing units beginning January 1, 2001. Responsibility for administering 156,000 non-profit and co-operative housing units will follow over a period of 18 months.

The province will continue to renew mortgages, set and monitor standards, flow federal funds for social housing to the local level and report back to Ottawa. Provincial standards will ensure that there are no declines in the number of households assisted or in the number of units for people with disabilities.

The *Social Housing Reform Act* gives municipalities administrative control over a responsibility they have been paying for since 1998. When it announced its intention to devolve social housing to the local level, the province committed to transfer a more streamlined, more effective portfolio. True to its word, it has brought in efficiencies and negotiated lower mortgage rates that saved taxpayers and municipalities \$1.5 billion.

This bill's passage follows well-attended public hearings. We heard good suggestions for strengthening the proposed legislation and amending some of the wording to ensure that it reflects the true intent of the bill. Most of the amendments are technical; others further streamline the transfer, reinforce tenant protection and give municipalities the flexibility they need to respond to local needs. The attached fact sheet outlines further details of the amendments. Please visit the ministry's Web site for additional background material on the legislation and social housing reform.

I know we share the goals of a smooth transfer and minimal disruption to tenants, and ministry staff are working forward to working with you toward that end. Should you have questions or concerns, please feel free to contact your area director.

Yours very truly, [Original Signed by]

Tony Clement
Minister

Attachment

C:
Administrators, Consolidated Municipal Service Managers
Administrators, District Social Services Administration Boards
Social Housing Organizations
Social Housing Providers
Municipal Associations

Backgrounder: [Amendments to the Social Housing Reform Act, 2000](#)

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June 18, 2001

Dear Head of Council:

To heads of council: I am writing to bring you up-to-date on recent changes to the Municipal Performance Measurement Program, which we made in consultation with municipal representatives. I also wish to advise you of the program's formal requirements for reporting to taxpayers in 2001.

After we announced the program in October 2000, municipal stakeholders came to us with concerns about the timing for reporting and the reliability of some of the data they were asked to collect. Together, we worked out solutions that meet the objectives of both levels of government and work for the citizens we all serve. As a result, this year's deadlines and reporting requirements have been revised, but the program's goals - higher-quality services, better value for tax dollars and greater accountability to taxpayers - remain the same.

The feedback we received was invaluable, and I appreciate the input and co-operation of everyone involved. Specifically, I want to thank the Association of Municipalities of Ontario, the Ontario Municipal Administrators Association, the Association of Municipal Managers, Clerks and Treasurers of Ontario, the Municipal Finance Officers Association of Ontario, the Ontario Good Roads Association and the Ontario Municipal Benchmarking Project.

The new deadlines for submitting data to the province and for reporting to taxpayers are June 30 and September 30, respectively. Although municipalities are still required to collect data on all 35 measures, and submit them to province, they will report to their taxpayers on fewer measures - 16 rather than 35 (please see attached list of measures). Most municipalities have been able to collect data for these measures without difficulty and feel confident that the data are accurate and reliable.

The ministry has also set up an advisory committee with representatives from key municipal stakeholders and the ministry. The committee recommended which measures municipalities would report on this year and will advise the ministry on how to further enhance the program for Year 2 and beyond. It will also look into the idea of creating a **Centre of Municipal Best Practices on Performance Measurement.**

I have been encouraged to hear that many of you support performance measurement as a management and accountability tool. I also think that measuring your performances will assist you in business planning and operations. As the government's recent Throne Speech stated, we remain committed to increasing accountability in the public sector. I firmly believe that this program takes us a step forward in that direction.

We should all keep in mind that this year is a starting point. Our program will evolve further as we add service areas and further refine the measures. Over time, municipalities will report publicly on a full range of results.

Within the next few weeks, you will receive detailed information on how you may present the results of your performances to your taxpayers. In the meantime, please continue to give me your

feedback on the program and your ideas for further improvements. Sincerely,

Original Signed By

Hon. Chris Hodgson
Minister, Municipal Affairs and Housing

C:

Chief Administrative Officers
Municipal Treasurers
Consolidated Municipal Services Managers
District Social Services Administration Boards
MPPs

SCHEDULE
MUNICIPAL PERFORMANCE MEASUREMENTS
YEAR 2001 INFORMATION PUBLICATION FOR TAXPAYERS

Designated by the Minister under section 83.1 of the *Municipal Act* on June 18, 2001.

. (1) A municipality shall in respect of municipal fiscal year 2000 publish for the taxpayers of the municipality the performance measurement information designated in the attached chart (the "chart"). The chart forms part of this Schedule.

(2) The information published by a municipality under subsection (1) shall include performance measurement information for any planning board, police services board, public utility commission or transit commission of the municipality.

(3) This section does not include any requirement for an entity described in clause (b), (c), (d) or (e) of subsection 83.1(1) of the *Municipal Act* to provide performance measurement information directly to taxpayers.

. A municipality shall publish the information required by section 1 not later than September 30, 2001.

. (1) A municipality at a minimum shall include with the information published under section 1,

(a) the name of each performance measure in the chart and the fiscal year to which it relates; and

(b) the result generated for the measure by the Ministry of Municipal Affairs and Housing's electronic financial information return software, after the municipality submits the relevant performance measure information to the Minister of Municipal Affairs and Housing.

(2) A municipality shall publish the information referred to in subsection (1) through one or more of the following methods,

(a) a direct mailing to taxpayers or households;

(b) an insert with the property tax bill;

(c) one or more notices in local newspapers or advertising periodicals; or

(d) posting the information on the Internet.

APPLICATION

- . If a municipality does not supply a service or function at any time in a fiscal year, section 1 does not include any requirement for the municipality to publish information related to a service or function designated in the chart for the fiscal year.

- . In this Schedule, "supply" means supply pursuant to a statute, bylaw or resolution or an arrangement or agreement with any person or municipality, and "supplied" has a corresponding meaning.

Original Signed By

Hon. Chris Hodgson

Minister, Municipal Affairs and Housing

CHART
MUNICIPAL PERFORMANCE MEASUREMENT INFORMATION
PUBLICATION FOR TAXPAYERS
MEASURES YEAR 1

Garbage (Solid Waste Management)

- . Operating costs for waste collection per ton or per household.

A municipality providing information under item 1 shall provide the information on a per household basis only if the information is not available on a per ton basis.

- . Percentage of residential solid waste diverted for recycling and tons of solid waste recycled.

Sewage

- . Operating costs for treatment and disposal of sewage and stormwater per cubic metre treated.

- . Number of hours when untreated or partially treated sewage was released into a lake or natural water course.

Water

- . Operating costs for water treatment per million litres of water treated.

- . Number of breaks in water mains per kilometre of water main pipe.

- . Number of days when a boil-water advisory issued by the Medical Officer of Health and applicable to a municipal water supply was in effect.

Roads

- . Operating costs for winter control maintenance of roadways per lane kilometre.

- . Percentage of winter-event responses that meet or exceed municipal road maintenance standards.

Transit

- . Number of conventional transit passenger trips per person in the service area.

- . Operating costs for conventional transit per regular service passenger trip.

Fire

- . Operating costs for fire services per \$1,000 of assessment.

Police

- . Operating costs for police services per \$1,000 of assessment.

- . Percentage of cases cleared for the following Statistics Canada categories: violent crimes and property crimes.*

*For the purposes of reporting in 2001 the Year 1 (2000) results to taxpayers, municipalities shall only report on violent crime and property crime cases.

Local Government

- . Operating costs for municipal administration as a percentage of total municipal operating costs.

Land-Use Planning

- . Percentage of designated agricultural land preserved.

September 5, 2001

To Chief Administrative Officers:

Subject: Template for the Municipal Performance Measurement Program

I am pleased to attach a template that you may use for the public reporting component of the Municipal Performance Measurement Program (MPMP). Whether or not you use it is optional. You may wish to develop your own format for reporting your results to taxpayers.

We developed the template in consultation with the MPMP advisory committee. The committee is made up of representatives from the Association of Municipalities of Ontario, the Ontario Municipal Administrators Association, the Association of Municipal Managers, Clerks and Treasurers of Ontario, the Ontario Good Roads Association and the Ontario Municipal Benchmarking Project.

In developing the template, we used language that taxpayers can easily understand. The notes section allows municipalities to explain or expand on each of the sixteen measures. Our hypothetical examples will give you a sense of the kind of information that could go into this section. Simply replace our example with your own explanation.

Municipalities must report their MPMP results in one or more of the following four ways: a direct mailing to taxpayers or households; an insert with the property tax bill; one or more notices in local newspapers or advertising periodicals; a posting on the Internet. You can use the template with any of these four options. Electronic versions are available in Word and WordPerfect formats on the ministry's Web site, at www.mah.gov.on.ca.

As you know, municipalities must report year 2000 results to the public by September 30, 2001. Since the June 30 deadline for submitting MPMP data to the ministry has passed, I encourage any municipality that hasn't already done so to submit 2000 data as soon as possible.

- 2 -

Chief Administrative Officers

I want to thank you for your co-operation during this first year of the MPMP. I was also pleased to note in a number of media accounts that municipal administrators and treasurers have commented publicly on the proven value of performance indicators in improving municipal management and service delivery. To further enhance the program, the ministry will continue working with municipalities, the advisory committee and its various working groups. I particularly look forward to the Centre for Ontario Municipal Best Practices, which Minister Hodgson announced at the recent AMO conference. The centre will be created over the next few months.

Should you have any questions concerning the template or the program itself, please contact your Municipal Services Office.

Yours truly,

W. Michael Fenn
Deputy Minister

Attachment

c: Clerks and Treasurers

Ministry of
Municipal Affairs
and Housing

Ministère des
Affaires municipales
et du Logement



Municipal Performance and
Accountability Branch
777 Bay Street, 13th Floor
Toronto ON M5G 2E5
Phone: (416) 585-7264
Fax: (416) 585-6161

Direction de la performance
et de la responsabilisation des municipalités
777, rue Bay, 13^e étage
Toronto ON M5G 2E5
Téléphone: (416) 585-7264
Télécopieur: (416) 585-6161

June 18, 2002

To all Clerks, Treasurers and CAOs

Re: Municipal Performance Measurement Program (MPMP)

I would like to clarify several matters with respect to this year's requirements for the Municipal Performance Measurement Program (MPMP).

First, let me acknowledge the excellent response and constructive feedback provided to the Ministry over the course of 2001. Municipal staff from across the province brought forward solid technical advice on the Program and I believe the product is better as a result.

While the improved measures will better serve the interests of the public and the needs of municipalities, the changes do raise the issue of whether municipalities will be able to properly compare their Year 1 and Year 2 MPMP results. We recognize that year-over year comparisons are a valuable means for municipalities to understand trends in local service delivery, however refinements to the way measures are defined and calculated mean that only some measures are directly comparable between Year 1 and Year 2.

Reporting Requirements – Reconciling The Minister's Schedule and the FIR-MPMP Schedules

The Minister's schedule (Dec 10, 2001 letter to municipal heads of council) described the MPMP measures in a general manner. Some municipalities have asked for clarification on how the Minister's schedule corresponds to the FIR-MPMP schedules. For clarification, please see the attached table. The table reflects wording suggested by members of the MPMP Advisory Committee to improve clarity and should make it easier for the public and users of the information to comprehend the information being reported.

There were also specific questions about who reports the new measures for integrated systems for

wastewater, drinking quality water and solid waste management. The measures which pertain to integrated systems are:

- Operating costs for collection, treatment, and disposal of wastewater per megalitre¹
- Operating costs for the treatment and distribution of drinking quality water per megalitre
- Average operating costs for solid waste management (collection, disposal & diversion) per tonne or per household

A fundamental principle of the MPMP program is that the level of government responsible for the delivery of a service is also responsible for reporting the performance measure related to delivery of the service. In Schedule 91, column 3, municipalities are asked to identify the level of government responsible for delivering each service measured. If a municipality is not responsible for the service, it should not report the measure. Note that in the 2001 FIR, expenditures entered in Schedule 40 and revenues received from other municipalities reported in Schedule 12 will be carried forward to Schedule 91, regardless of how the municipality has completed the responsibility question. If a municipality is not responsible for the service measured, it should not enter any data in the denominator to ensure that the measure is not calculated.

Only single-tier municipalities and those municipalities responsible for all dimensions of the service should complete the measure for integrated systems. For example, if lower-tiers are responsible for garbage collection and the upper-tier is responsible for disposal and diversion, no municipality will complete the aggregate measure for solid waste management since the measure pertains only to integrated solid waste management systems. In this example, the lower-tiers will complete the efficiency measure pertaining to collection and the upper-tier will complete the efficiency measures pertaining to disposal and diversion. The chart attached to this letter also clarifies municipal responsibility for reporting.

Police Measure- Definition of Violent Crime

On the recommendation of the MPMP Police Services Working group, we would like to clarify that firearms and offensive weapons charges are not to be included in the calculation of the performance measure for violent crime. This is based on Table 3.3 of Canadian Crime Statistics published by the Canadian Centre for Justice Studies. Violent crime consists of homicide (including manslaughter), sexual assault, non-sexual assault, other sexual offences, abduction, robbery. Note that offensive weapons are classified as "other crimes".

¹ One Megalitre is 1 million litres, or 1,000 cubic metres.

FIR & MPMP Reporting Deadline

I would also like to remind you that on May 27, 2002 the Minister of Municipal Affairs wrote to the Heads of all Municipal Councils advising them that the FIR and MPMP deadlines have been extended from June 30th, to July 31st for 2002.

Finally, many municipalities have been asking whether the Ministry plans to re-write the MPMP Voluntary Reporting Templates in accordance to Year 2 changes and make them electronically available as we did last year. We are planning to revise and re-issue the Templates and they will be available shortly. You may wish to periodically check our Ministry's webpage for these and other items related to MPMP (www.mah.gov.on.ca).

If you have any questions on the MPMP, please call Bohdan Wynnycky, Manager, Measures and Best Practices, at (416) 585-6638, or send him an e-mail at bohdan.wynnycky@mah.gov.on.ca and he will be happy to deal with your inquiry.

Sincerely,



Larry Clay
Director

Attachment

cc MPMP Advisory Committee

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
General Government		
1. Operating costs for general government as a percentage of total municipal operating costs	A municipality should report the general government measure which corresponds to the general government categories selected in Schedule 40, Revenue Fund Expenditures:	
	SLC 91 0202 13	<p>1a. General government support as a percentage of total municipal operating costs</p> <p>This measure is reported if a municipality uses the general government categories which were also used in the 2000 FIR: members of council, general government support, corporate overhead and other.</p> <p>If the 2000 FIR categories were used, general government is defined as general government support for purposes of the measure.</p>
	SLC 91 0203 13	<p>1b. Governance and corporate management as a percentage of total municipal operating costs</p> <p>This measure is reported if a municipality uses the general government categories developed by the Ontario Municipal CAO's Benchmarking Initiative (OMBI) and approved by the province: governance and political support, corporate management and support, program support.</p> <p>If the OMBI FIR categories were used, general government is defined as governance and political support, and corporate management and support. This is shortened to the phrase "governance and corporate management".</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Fire Services		
2. Operating costs for fire services per \$1,000 of assessment	SLC 91 1101 13	same
Police Services		
3. Operating costs for police services per household	SLC 91 1202 13	same
4. Total crime rate as defined by Statistics Canada	<p>A municipality should report the measure appropriate for its population size:</p> <hr/> <p>SLC 92 1261 07 4a. Total crime rate per 1,000 persons (Criminal Code, excluding traffic)</p> <p style="text-align: center;">This measure is reported where the population is less than 100,000.</p> <p style="text-align: center;">Note that the Statistics Canada definition used refers to Criminal Code crimes, excluding traffic.</p> <hr/> <p>SLC 92 1261 07 4b. Total crime rate per 100,000 persons (Criminal Code, excluding traffic)</p> <p style="text-align: center;">This measure is reported where the population is equal to or greater than 100,000.</p> <p style="text-align: center;">Note that the Statistics Canada definition used refers to Criminal Code crimes, excluding traffic.</p>	

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Roadways		
5. Operating costs for paved (hard top) roads per lane kilometre	SLC 91 2103 13	same
6. Operating costs for unpaved (loose top) roads per lane kilometre	SLC 91 2104 13	same
7. Operating costs for winter control maintenance of roadways per lane kilometre	SLC 91 2202 13	same
8. Percentage of paved lane kilometres rated as good to very good	SLC 92 2152 07	8. Percentage of paved lane kilometres where condition is rated as good to very good The words "where condition is" are added for clarity.
9. Percentage of winter event responses that met or exceeded municipal road maintenance standards	SLC 92 2251 07	same

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Transit		
10. Operating costs for conventional transit per regular service passenger trip	SLC 91 2301 13	same
11. Number of conventional transit passenger trips per person in the service area in a year	SLC 92 2351 07	same

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Wastewater		
12. Operating costs for wastewater per kilometre of sewer line	A municipality should report the measure which corresponds to its service responsibilities:	
	SLC 91 3103 13	<p>12a. Operating costs for the collection of wastewater per kilometre of wastewater main</p> <p>This measure is reported if the municipality is responsible for wastewater collection.</p> <p>This measure is optional for municipalities with integrated wastewater systems since the FIR does not record the measure.</p>
	SLC 91 3104 13	<p>12b. Operating costs for the treatment and disposal of wastewater per megalitre</p> <p>This measure is reported if the municipality is responsible for wastewater treatment and disposal.</p> <p>This measure is optional for municipalities with integrated wastewater systems since the FIR does not record the measure.</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Wastewater (continued)		
	SLC 91 3105 13	<p>12c. Operating costs for collection, treatment, and disposal of wastewater per megalitre (Integrated System)</p> <p>This measure is reported only if the municipality is responsible for wastewater collection and wastewater treatment and disposal.</p> <p>Municipalities with integrated systems may also report the individual measures for 12a. collection of wastewater, and 12b. treatment and disposal of wastewater.</p>
13. Number of sewer-main backups per 100 kilometres of sewer line in the year	SLC 92 3154 07	<p>13. Number of wastewater main backups per 100 kilometres of wastewater main in a year</p> <p>Note: "wastewater" replaces the word "sewer" and "main" replaces the word "line".</p>
14. Percentage of wastewater estimated to have by-passed treatment	SLC 92 3155 07	same

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Water		
15. Operating costs for the treatment and distribution of drinking quality water per megalitre	A municipality should report the measure which corresponds to its service responsibilities:	
	SLC 91 3303 13	<p>15a. Operating costs for the treatment of drinking quality water per megalitre</p> <p>This measure is reported if the municipality is responsible for the treatment of drinking quality water.</p> <p>This measure is optional for municipalities with integrated water systems since the FIR does not record the measure.</p>
	SLC 91 3304 13	<p>15b. Operating costs for the distribution of drinking quality water per kilometre of water distribution pipe</p> <p>This measure is reported if the municipality is responsible for the distribution of drinking quality water.</p> <p>This measure is optional for municipalities with integrated water systems since the FIR does not record the measure.</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Water (continued)		
	SLC 91 3305 13	<p>15c. Operating costs for the treatment and distribution of drinking quality water per megalitre (Integrated System)</p> <p>This measure is reported only if the municipality is responsible for both the treatment and distribution of drinking quality water.</p> <p>Municipalities with integrated systems may also report the individual measures for 15a. treatment of drinking quality water, and 15b. distribution of drinking quality water.</p>
16. Number of breaks in water mains per 100 kilometres of water main pipe in a year	SLC 92 3356 07	same
17. Weighted number of days when a boil water advisory issued by the Medical Officer of Health, applicable to a municipal water supply	SLC 92 3355 07	<p>17. Weighted number of days when a boil water advisory issued by the Medical Officer of Health, applicable to a municipal water supply, was in effect</p> <p>Note: the words "was in effect" have been added.</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Solid Waste		
18. Operating costs for solid waste collection, transfer and disposal per tonne or per household	This measure was replaced by separate measures for garbage collection and garbage disposal:	
	SLC 91 3402 13	<p>18a. Operating costs for garbage collection per tonne or per household</p> <p>This measure is reported by municipalities which are responsible for garbage collection.</p> <p>This measure is optional for municipalities with integrated solid waste management systems since the FIR does not record the measure.</p>
19. Operating costs for solid waste diversion per tonne or per household	SLC 91 3502 13	<p>18b. Operating costs for garbage disposal per tonne or per household</p> <p>This measure is reported by municipalities which are responsible for garbage disposal.</p> <p>This measure is optional for municipalities with integrated solid waste management systems since the FIR does not record the measure.</p>
	SLC 91 3602 13	<p>19. Operating costs for solid waste diversion (recycling) per tonne or per household</p> <p>This measure is reported by municipalities which are responsible for solid waste diversion.</p> <p>This measure is optional for municipalities with integrated solid waste management systems since the FIR does not record the measure.</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Solid Waste (continued)		
20. Average operating costs for solid waste management per tonne or per household	SLC 91 3603 13	<p>20. Average operating costs for solid waste management (collection, disposal and diversion) per tonne or per household</p> <p>This measure is reported only by those municipalities with integrated solid waste management systems. These municipalities are responsible for garbage collection, garbage disposal, <u>and</u> solid waste diversion (recycling).</p> <p>Municipalities with integrated systems may, if desired, report the individual measures for 18a. garbage collection, 18b. garbage disposal, and 18c. solid waste diversion (recycling).</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Solid Waste (continued)		
<p>21. Number of days per year when a Ministry of Environment compliance order for remediation concerning an air or groundwater standard was in effect for a solid waste management facility, by site and total number of sites in the municipality</p>	Report the following two measures:	
	<p>SLC 92 3553 03 site SLC 92 3553 07 days to SLC 92 3560 03 site SLC 92 3560 07 days</p>	<p>21 a. Number of days per year when a Ministry of Environment compliance order for remediation concerning an air or groundwater standard was in effect for a solid waste management facility, by site</p> <p>For each municipally owned solid waste management facility that was not in compliance, report the name of the site and the number of days a year when an MOE compliance order for remediation was in effect.</p>
	<p>SLC 92 3552 07</p>	<p>21b. Total number of solid waste management sites owned by municipality</p>
<p>22. Number of complaints received in a year concerning the collection of solid waste and recycled materials per 1,000 households</p>	<p>SLC 92 3452 07</p>	<p>same</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Solid Waste (continued)		
23. Percentage of residential solid waste diverted	A municipality should, report the measure which corresponds to the way it records solid waste tonnage:	
	SLC 92 3655 07	<p>23a. Percentage of residential solid waste diverted</p> <p>This measure is reported if the municipality records tonnage for residential solid waste separately from ICI tonnage.</p>
	SLC 92 3656 07	<p>23a. Percentage of residential solid waste diverted (based on combined residential and ICI tonnage)</p> <p>This measure is reported if the municipality <u>does not</u> record tonnage for residential solid waste separately from ICI tonnage.</p>

2001 MPMP Reporting to Public		
Minister's Schedule of Measures Dec. 10, 2001	FIR Schedule Line Column	Clarification
Land Use Planning		
24. Percentage of new development with final approval which is located within settlement areas and the number of new lots, blocks and/or units	SLC 92 8154 07	24. Percentage of new development with final approval which is located within settlement areas Note: the number of new lots, blocks and/or units does not need to be reported to the public.
25. Percentage of land designated for agricultural purposes which was preserved and number of hectares of land originally designated for agricultural purposes which was re-designated for other uses	Report the following measures concerning land preserved during 2001:	
	SLC 92 8163 07	25a. Percentage of land designated for agricultural purposes which was preserved during 2001
	SLC 92 8165 07	25b. Number of hectares of land originally designated for agricultural purposes which was re-designated for other uses during 2001
	Also report the following measures concerning land preserved relative to the base year of 2000:	
	SLC 92 8164 07	25c. Percentage of land designated for agricultural purposes which was preserved relative to the base year of 2000
SLC 92 8166 07	25d. Number of hectares of land originally designated for agricultural purposes which was re-designated for other uses since January 1, 2000	

November 29, 2002

To Heads of Council:

I am writing to advise you of the formal requirements for Year 3 of the Municipal Performance Measurement Program (MPMP) and to acknowledge the continued support and assistance provided to the ministry in improving the program for 2002.

At the suggestion of the MPMP Advisory Committee, changes to the program have been kept to a minimum. Municipal experts in the various technical work groups have, however, recommended refinements to some of the measures in the program. Attached is a list of measures that apply to 2003 reporting for municipal fiscal year 2002.

You may access the formal requirements made under Section 299 of the Municipal Act, 2001 (before January 1, 2003, Section 83.1 of the Municipal Act applies) at www.mah.gov.on.ca. Detailed definitions and instructions for the 2002 Financial Information Return will follow shortly.

You will notice that the deadlines for submitting data to the province and for reporting to constituents are June 30, 2003 and September 30, 2003, respectively.

I am encouraged to see many municipalities using performance results in their business planning and operations. With the newly created Ontario Centre for Municipal Best Practices (<http://www.municipalbestpractices.ca/home.asp>) municipalities, province-wide, will be able to further share and adopt best practices. I welcome your continued feedback and suggestions.

If you have questions on Year 3 requirements, please contact your local Municipal Services Office.

Sincerely,

Hon. Chris Hodgson
Minister

Attachment

c: Chief Administrative Officers
Municipal Treasurers
MPMP Advisory Committee Members