



Town of Niagara-on-the-Lake

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REPORT #: CAO-23-036 **COMMITTEE DATE:** 2022-11-01
DUE IN COUNCIL: 2022-12-12
REPORT TO: COTW-General
SUBJECT: Shared Services Initiatives in Niagara Region Update (March 2023)

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council receives Report No. CAO-23-036 for information;
- 1.2 Council directs the Chief Administrative Officer to continue to review opportunities for Shared Services within the Niagara Region; and
- 1.3 Council directs Staff to include Shared Services as a priority for consideration in the Town's 2022-2026 Strategic Plan.

2. EXECUTIVE SUMMARY

- This report aims to provide Council with an update on the exploration and implementation of shared services among the Local Area Municipalities and the Regional Municipality of Niagara (Niagara Region).
- Niagara Region and Local Area Municipalities (LAMs) have implemented numerous shared services, ranging in scope and scale.
- The CAO Working Group has endorsed a short list of existing shared services that have the potential for expansion and a list of new initiatives for further consideration (**Appendix II**).
- Savings, cost avoidance, efficiencies and service improvement information tracking will be a focus for the shared services program in 2023 and will form part of subsequent updates to Council.

3. PURPOSE

The purpose of this report is to provide Council with an update related to shared services initiatives by Niagara-on-the-Lake, other local area municipalities and Niagara Region. Regional municipalities have investigated and implemented several shared services and continue seeking additional opportunities.

4. BACKGROUND

The Chief Administrative Officer (CAO) Working Group has reviewed opportunities for shared services and endorsed a short list of existing shared services (that could be scaled up) and a list of net-new initiatives for further consideration.

On February 15, 2023, Regional Staff presented Report CAO 2-2023 (**Appendix I**) to Corporate Services Committee. Report CAO 2-2023 was received for information at the Regional Council meeting on Thursday, February 23, 2023.

5. DISCUSSION / ANALYSIS

Shared services opportunities can be summarized within the following four categories:

1. Service Migration;
2. Shared and Joint Services;
3. Coordination of Service; and
4. Communities of Practice.

Details on each category can be found in **Appendix I** of this report. Some examples of shared services initiatives the Town of Niagara-on-the-Lake has participated in thus far are included below.

1. Service Migration

Integrated Transit (service efficiencies and improved customer service)

Niagara's new consolidated transit system was launched on January 1, 2023. Former local municipal transit has been integrated into a single organization that operates public transit across the region. The new Niagara Region Transit facilitates better access to jobs and services in Niagara, opening up new options for residents in neighbouring municipalities and new business markets. In addition, it provides residents with more sustainable and environmentally-friendly public transit options that help the local environment by reducing traffic congestion and greenhouse gas emissions. Service levels continue to evolve through the transition.

2. Shared and Joint Services

Coordinated Chief Building Officer (CBO) (cost savings, cost avoidance, service efficiencies and improved customer service)

In September 2021, Niagara Region facilitated a kickoff meeting with CAOs and Building Officials to discuss the feasibility of centralizing a CBO function for interested municipalities with local deputies to conduct building inspections. The objective was to address recruitment challenges for the specialized CBO position, maximize opportunities for resources and workflow, improve access to qualified inspectors, and provide access to resources. Most recently, area CBOs have created an inventory of current resources and staffing levels dedicated to individual municipalities. Advice has been sought from legal and subject matter experts to assess the governance models that can be pursued under the *Building Code Act* and *Municipal Act* and to determine business model options that would support equal or improved customer service levels. In September 2022, regional CAOs, including Niagara-on-the-Lake, endorsed moving forward with the preliminary work on this initiative.

3. Communities of Practice

Communities of practice have been established across a number of service areas, including, but not limited to, Clerks, Public Works, Economic Development, Finance,

Asset Management, Communications, HR, Diversity, Equity and Inclusion, and Climate Change. These groups allow participants to share information, leverage resources for enhanced efficiencies, and discuss innovation and continuous improvement opportunities.

In addition to implementing the above-mentioned shared services, the CAO Working Group has created a list of existing shared services that could be expanded to include other LAMs and a list of new initiatives for further consideration (**Appendix II**).

Some examples of possible new initiatives that are listed in **Appendix II** for the Town to explore with Niagara Region and other LAMs include, but are not limited to: *Joint Insurance, Shared Internal Audit Services, Shared Yards, Climate Change resources, Alignment of HR Policies and Practices, Social Procurement Policies, Roads Service Delivery, and Water/Wastewater Services.*

Additionally, recently a working group of CAOs was formed to explore opportunities related to *Physician Recruitment*. While this hadn't yet been added to the list of shared services opportunities when Niagara Region last updated Regional Council, it has since been identified as another opportunity.

The shared services opportunities list is a dynamic document that regularly evolves.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar(s)

3. Create a Culture of Customer Service Excellence

Objective(s)

3.1 Define, support and acknowledge customer service excellence

7. OPTIONS

7.1 **Option 1:** That Council accepts the recommendations of this report and directs the CAO and Staff to continue to review opportunities for Shared Services within the Niagara Region and to include Shared Services as a priority for consideration in the Town's 2022-2026 Strategic Plan. (**Recommended**)

7.2 **Option 2:** That Council does not accept the recommendations of this report to continue to pursue opportunities for Shared Services within the Niagara Region nor include Shared Services as a priority for consideration in the Town's 2022-2026 Strategic Plan. (*Not Recommended*)

8. FINANCIAL IMPLICATIONS

Costs associated with executing any new shared service initiatives recommended by the CAO Working Group would be the subject of subsequent reports to the applicable Councils.

Niagara Region's pre-budget advocacy to the Province includes a request that the Ministry of Municipal Affairs and Housing reintroduce and expand the Municipal Modernization Program to apply to regional governments and two-tier shared services.

Town Staff continue to monitor grant opportunities as a possible offset for the investigation and execution of shared services initiatives related to the Town of Niagara-on-the-Lake.

9. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications of this report.

10. COMMUNICATIONS

The Town CAO and Staff will continue communicating with other LAMs and the Niagara Region about shared service opportunities.

11. CONCLUSION

To support the expansion of existing shared services and to help facilitate the launch of smaller-scale opportunities, Niagara Region, in partnership with the LAM CAOs, will be recruiting a joint project manager in Q2 2023. This role will provide the CAO Working Group with support to develop, evaluate and prioritize shared services opportunities.

Region-wide shared services, such as full or partial road service delivery and a single-tier approach for water/wastewater services, require greater capacity and resources to move forward. To ensure such opportunities are realized, 2023 advocacy initiatives may include requesting the Province reintroduce the Municipal Modernization Program with a renewed focus on two-tier shared services.

Regular updates concerning shared services will be provided to Town Council, including reporting on savings, cost avoidance, efficiencies and service improvements achieved.

12. PREVIOUS REPORTS

- N/A

13. APPENDICES

- **Appendix I** – Regional Report CAO-2-2023 – Update on Shared Services Initiatives
- **Appendix II** – Shared Service Opportunities Short List

Respectfully submitted:

Submitted by:



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