

For Information

DATE: October 4, 2017

REPORT TITLE: **CONTINUOUS IMPROVEMENT UPDATE**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To provide an update on the improvements and efficiencies gained through the Region of Peel's Continuous Improvement program, including Lean.

REPORT HIGHLIGHTS

- The Region of Peel (Region) has a demonstrated track record of innovation leading to improved outcomes and value to the taxpayer.
- Between 2010 and 2016 the Region has cumulative cost savings/cost avoidance totaling \$198 million for tax supported programs and over \$74 million for the utility rate supported programs.
- A Lean Six Sigma approach has been formally adopted by the Region that supports its Continuous Improvement program to achieve cost savings and efficiencies.
- 20 improvement initiatives were completed in 2016 and the first part of 2017 for a total cost savings of over \$3.6 million and cost avoidance/cost mitigation of \$4.2 million.
- Benefits and cost savings from the Continuous Improvement program, including Lean initiatives, will be reported to Council annually.

DISCUSSION**1. Background**

The Region has long been committed to providing services that are effective and efficient and which minimize the tax burden on citizens. Cost savings and efficiencies have been achieved through our Continuous Improvement program for many years and reported on to Council annually through the budget process. There are a number of tools in the Continuous Improvement program that can be used, depending on the type of business issues being faced, and the level of service enhancement being sought. Some of the tools used to achieve these benefits include:

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- Digital self-service, such as placing waste cart selection on-line to prepare for bi-weekly waste and recycling collection (cost avoidance by diverting citizens to the web portal as opposed to calling into the Customer Contact Centre).
- Process Improvement, such as the reduction of Paramedic offload delay at Regional hospitals (reducing offload delay by an average of 13 minutes and returning paramedics sooner into the community for service).
- Alternative Service Delivery, including contracting out of Water Supply/Wastewater Laboratory services (cost savings of \$2.8 million annually and 70% improvement in turnaround times).
- Program Evaluations, such as the withdrawal from direct delivery of child care services which allowed the Region to eliminate the waitlist for child care fee subsidy and redirect \$3 million to the Housing program.
- Human Centred Design, used to address more complex problems and design solutions from the perspective of those most impacted.

Over a seven year period from 2010 to 2016, cumulative savings of \$198 million and \$74.6 million have been achieved in the tax supported and utility rate supported programs respectively through Continuous Improvement initiatives.

More recently, the Region added to the continuous improvement toolkit formally adopting a Lean Six Sigma approach to support process improvement approach to address operational business issues. This report provides more information about the Lean program and how Lean has been used in conjunction with other Continuous Improvement tools to achieve operational improvements.

2. Lean Program

The Lean Six Sigma program was formally adopted by the Region in 2016 after analysis of the improvement work within the organization showed that Lean was the preferred approach. An external review verified that Lean is the most widely used approach in the public sector and had shown to be effective in helping government organizations find cost savings and efficiencies through improving process, reducing non-value-added work, and increasing client satisfaction. Lean Six Sigma provides a structured problem solving approach that focuses on defining, measuring, analyzing, improving, and controlling the business processes used to deliver our services.

Adoption of the Lean program at Peel was driven by a desire to have a standard approach to achieving operational efficiencies, common terminology, and a common approach to measuring and reporting on the benefits achieved. The benefits from using Lean go beyond cost savings and finding efficiencies; they also include reduction in wait times for citizens to access our services; a reduction in rework and work effort to deliver our services; and an improved, conscious focus on the impact that our services are having on our clients and the client experience in accessing Regional services.

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The long term vision of the Lean program at the Region includes a conscious management of our service delivery processes, reduced process complexity, improved client access to services, and reduced costs for service provision.

3. Continuous Improvement Program Results

The utilization of the Continuous Improvement program and its tools has shown a number of benefits. The table below provides a summary of the initiatives completed in 2016 and the first part of 2017 that used a Lean approach in conjunction with other Continuous Improvement methods. It summarizes the cost savings and cost avoidance/cost mitigation from these initiatives, by service.

| Service | Number of Processes Improved | 2017 Savings (\$000's) | Cost Avoidance/Mitigation (\$000's) |
|----------------------------------|------------------------------|------------------------|-------------------------------------|
| Income Support & Child Care | 1 | - | \$55 |
| Income Support & Housing Support | 2 | - | \$55 |
| Housing Support | 1 | - | \$13 |
| Water Supply and Wastewater | 2 | \$2,850 | \$370 |
| Wastewater | 1 | - | \$1,500 |
| Public Works Operations Support | 1 | - | \$27 |
| Paramedics | 2 | - | - |
| Chronic Disease Prevention | 1 | - | \$60 |
| Adult Day | 1 | - | - |
| Long Term Care | 1 | - | - |
| Financial Management | 2 | - | \$1,500 |
| Asset Management | 1 | \$823 | - |
| Information and Technology | 4 | - | \$603 |
| TOTAL | 20 | \$3,673 | \$4,183 |

A summary of the type of benefits achieved in these initiatives can be found in Appendix I. More information about each initiative can be found in Appendix II.

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A number of factors have contributed to the successful adoption of Lean within the broader Continuous Improvement program, including:

- **Completion of Process Improvement Initiatives:** A total of 20 initiatives were completed using the Lean approach. Focus on the needs of clients and using a structured approach to problem solving through Lean were key.
- **Lean Resources:** A Lean methodology, tools and templates were created and have been shared with staff through Pathways.
- **Lean Training and Capacity Building:** Just-in-time training has been provided to staff who lead or participate in Lean initiatives. Further coaching has been provided to Lean facilitators to build internal capacity.
- **Measurement:** Baseline measures and measurement during and post- implementation are allowing the Region to tangibly assess the benefits from these initiatives.
- **Sustainment:** A greater focus on not just achieving, but also sustaining benefits from completed improvement initiatives has resulted in efficiencies being realized into future years.

4. On-going Continuous Improvement Initiatives

The Region will continue to leverage existing and emerging methods and tools to drive improved service delivery and report on the results to Council and the community. Baseline and post-improvement measurements are being put into place to enable the quantification of benefits where applicable.

FINANCIAL IMPLICATIONS

The financial benefits achieved from the Continuous Improvement program will be reflected in the 2018 budget report to Council. Reporting on the Continuous Improvement program will be provided to Council on an annual basis in alignment with the budget process.

CONCLUSION

The Region of Peel continues to demonstrate that it earns the trust and confidence afforded it by citizens and the community at large. The Region's Continuous Improvement program, including Lean, ensures that client needs and client experience are the focus of improvement initiatives. It also ensures that services are being delivered effectively and in the most efficient manner possible, thereby reducing the need for increased taxes on citizens, residents and business operators in Peel.

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Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I - Summary of Continuous Improvement Initiatives: Type of Benefits Achieved

Appendix II - Summary of Completed Continuous Improvement Initiatives by Service

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Reviewed in workflow by:

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**APPENDIX I
CONTINUOUS IMPROVEMENT UPDATE**

Summary of Continuous Improvement Initiatives: Type of Benefits Achieved

| Service | Initiative Description | Type of Improvement Benefits Achieved | | | | |
|------------------------------------|---|---------------------------------------|-------------------|------------------------|---------------------------|------------------------|
| | | Improved Quality | Reduced Wait Time | Improved Client Exper. | Improved Employee Engage. | Cost Savings/Avoidance |
| Human Services | | | | | | |
| Income Support and Child Care | e-Learning Course Delivery | | | ✓ | ✓ | ✓ |
| Income Support and Housing Support | Voice Shot Call Out | | | ✓ | | ✓ |
| Income Support and Housing Support | T5 Automation | | ✓ | ✓ | | ✓ |
| Housing Support | Peel Renovate Program | | | ✓ | | ✓ |
| Public Works | | | | | | |
| Water Supply/Wastewater | Global Adjustment Factor Participation; Clarkson Cogeneration; Clarkson Micro Turbine | | | | | ✓ |
| Water Supply/Wastewater | Locate Service Change | | ✓ | | | ✓ |
| Wastewater | Storm Water Billing for the City of Mississauga | | | | | ✓ |
| Public Works Operations Support | After Hours Customer Service Billing | | | | | ✓ |
| Health Services | | | | | | |
| Paramedics | Safe Lifting Stryker Stretchers | | | | ✓ | ✓ |
| Paramedics | Electronic Ambulance Call Report | ✓ | ✓ | | ✓ | |
| Chronic Disease Prevention | School Dental Screening Exemption Portal | | | ✓ | | ✓ |
| Adult Day | Central Admission Process | | | | ✓ | |
| Long Term Care | Nursing Model Pilot at Peel Manor | | | ✓ | | ✓ |

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| Service | Initiative Description | Type of Improvement Benefits Achieved | | | | |
|---|---|---------------------------------------|-------------------|------------------------|---------------------------|------------------------|
| | | Improved Quality | Reduced Wait Time | Improved Client Exper. | Improved Employee Engage. | Cost Savings/Avoidance |
| Finance | | | | | | |
| Financial Management | Payment Card Industry Data Security Standards Project – Booking TransHelp rides; Client Payment Options; Management of Electronic Records | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial Management | Cash Management | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Services | | | | | | |
| Asset Management | Real Property Asset Management – Restructure/ Revisit Contracted Services | | | ✓ | ✓ | ✓ |
| Service Innovation, Information and Technology | | | | | | |
| Information and Technology | Transition of 211 calls to Alternate Service Delivery Provider | | | | | ✓ |
| Information and Technology | Customer Contact Centre Remote Agent | | | | ✓ | ✓ |
| Information and Technology | Closure of Access Peel Suite A | | | ✓ | | ✓ |
| Information and Technology | Skype for Business Pilot | | ✓ | | ✓ | ✓ |

**APPENDIX II
CONTINUOUS IMPROVEMENT UPDATE**

Summary of Completed Continuous Improvement Initiatives by Service

| Service/ Initiative Name | Business Issue being Addressed | Benefits Target | Benefits Realized | Connection to ToCP Goals |
|--|---|--|--|-------------------------------------|
| Income Support & Child Care/ e-Learning Course Delivery (Q2 2016-Q2 2017) | Need to improve ability of providing training to internal and external audiences via e-learning versus in-class. | <ul style="list-style-type: none"> • Decrease amount of time required by staff/ agency partners for training by offering on-line tool • Decrease resources required for training new staff on courses already rolled out • Increase the number of participants for training | <ul style="list-style-type: none"> • Used technology to deliver e-training courses which reduced the number of classroom hours from 1,500 to 420, resulting in cost avoidance of \$55K | Modernize Service Delivery |
| Income Support & Housing Support/ Voice Shot Call Out (Q2 2015-Q1 2016) | Lack of a tool to manage client notifications during closures and major events or for appointment reminders. | <ul style="list-style-type: none"> • Ensure timely delivery of information to clients during critical events • Realize staff time efficiencies, reduce errors • Improve client experience | <ul style="list-style-type: none"> • Consistent and timely messaging to all clients • Increased contact with customers (from 5147 manual calls in 2015 to 26,476 automated and 1033 manual calls in 2016) • Cost avoidance of \$38K from reduction of 1,500 hours in time spent on manual calls | Modernize Service Delivery |
| Income Support & Housing Support/ T5 Automation (Q1 2016-Q3 2017) | Duplicate T5s are requested from clients for money received through Ontario Works and are manually created on request. Original T5s required for grants issued through Rent Supplement. | <ul style="list-style-type: none"> • Reduce manual calculations and potential errors • Increase tracking of duplicate T5007s issued • Reduce time period to produce duplicate and original T5007s | <ul style="list-style-type: none"> • Improved service to clients in accurate and timely production of duplicate T5007s • Time to produce T5s was reduced by 50% • Work effort savings of 74 days; cost avoidance of \$17K annually | Modernize Service Delivery |
| Housing Support/ Peel Renovate Program (Q1-Q3 2017) | Application process for program was inefficient with phone, fax or mailed forms. Program offers funding to eligible homeowners. | <ul style="list-style-type: none"> • Create an online application process for clients • Improve client satisfaction | <ul style="list-style-type: none"> • Improved application process for clients • Introduced self-serve application • In 2017 offered online application which resulted in 420 less hours of staff effort; cost avoidance of \$13K | Modernize Service Delivery |