



RESEARCH NOTE

PERFORMANCE, BENCHMARKING AND BEST PRACTICES IN INFRASTRUCTURE: DEVELOPMENTS IN ONTARIO

A number of significant municipal reforms have been introduced in Ontario over the past three years, including the coming into force of a new *Municipal Act* in December 2001. The recent reforms have also included:

- The introduction by the Ontario Ministry of Municipal Affairs and Housing (MMAH) of the Ontario Municipal Performance Measures Program;
- The establishment of the Ontario Municipal Benchmarking Initiative, a joint initiative of MMAH, regional chief administrative officers from across the province and a number of municipalities; and
- The creation of the Ontario Centre for Municipal Best Practices, presently sponsored by MMAH but also involving other partners.

All three of these initiatives involve the collection and dissemination of data related to infrastructure. In addition, they are of interest to Infrastructure Canada because they are all aimed at improving the delivery of municipal services, strengthening accountability to citizens and, in general, enhancing the capacity of municipalities to improve and benchmark performance as it relates to the provision of local infrastructure.

Ontario Municipal Performance Measures Program

In October 2000, the Ontario Ministry of Municipal Affairs and Housing implemented a new program, said to be the first of its kind in North America, called the Municipal Performance Measurement Program (MPMP). MPMP requires all Ontario municipalities to annually measure and report on their performance in high cost core service areas through a standardized provincial format. The program, formally established under the *Municipal Act*, is intended to facilitate improvements in service delivery and to enhance the capacity of citizens, local officials and others to compare costs and levels of performance.

The core service areas covered under MPMP are:

- water;
- wastewater (i.e. sewage);
- solid waste management (i.e. garbage);
- land-use planning;
- local government administration;
- roads;
- transit;
- fire; and
- police.

In each of the areas, municipalities must collect data on the cost and quality of the service and be in a position to report each year on a total of 35 different specific measures. For the first and second reporting years of the programme, municipalities have been required to submit data on 16 and 25 of the total 35 measures respectively. The requirements for each year are designated by the Minister under Section 83.1 of the *Act*.

A list of the measures used for the 2002 reporting year is attached. While the measures are rudimentary and exclusively quantitative in nature, they should be seen as representing a degree of progress towards the development of policy- and operationally-relevant “indicators” and “criteria” for infrastructure policies and programmes and also rough proxies for municipal capacity for effective infrastructure management.

Municipalities submit their results to the Ministry for review and analysis in June. By September, they are required to report to their citizens through direct mail, inserts in property tax bills and advertisements in local newspapers. Some municipalities also communicate results through their websites.

The Ministry has established a multi-stakeholder committee to advise on the core service areas and measures to be selected for each reporting year. The committee includes representatives from the Association of Municipalities of Ontario, the Ontario Municipal Administrators Association, the Municipal Finance Officers Association of Ontario, the Association of Municipal Managers, Clerks and Treasurers of Ontario, the Ontario Good Roads Association and the Ontario Municipal CAOs Benchmarking Initiative (see below). Advice is sought by the Ministry on the process for refining the measures under the MPMP, as well as the specific measures to be reported on each year.

Ontario Municipal Benchmarking Initiative

The Ontario Municipal Benchmarking Initiative (OMBI) was established in 2000 as a result of collaboration between the Ontario Ministry of Municipal Affairs and Housing, regional chief administrative officers from across the province and 15 municipalities (e.g. Peel, York, London and Niagara Region).

The goal of the Initiative is two-fold:

- to identify and develop appropriate service specific performance measures, capture performance data and analyze and benchmark results; and
- to provide a useful management tool that integrates financial and performance data to assist municipal decision-making (e.g. methodologies and systems for activity-based cost accounting and asset management).

The Initiative has operated to date primarily through a system of municipal champions and expert panels focussed on the following areas: long term care, roads, emergency medical services, water and wastewater and solid waste management.

A benchmarking framework based on earlier pilot projects and which could be applied to municipal services more generally is currently under development.

Ontario Centre for Municipal Best Practices

Building on both the MPMP and OMBI, the province established the Ontario Centre for Municipal Best Practices (OCMBP) in June 2002 as a resource centre for municipalities. The Centre is intended to help improve the capacity of municipalities to respond to the priorities signalled in the MPMP and, in particular, to synthesize and analyze data, to identify superior performers and to develop and promote best practices in the delivery of municipal services across the province. These best practices are derived from data collected through the MPMP and other sources (e.g. Canadian Water/Wastewater Benchmarking Partnership, the Ontario Roads Coalition and OMBI).

The Centre is presently funded by the provincial government (\$150,000 per year). However, it is planned that it will evolve into a formally collaborative organization, with reporting to the Association of Municipalities of Ontario, all Ontario municipalities as well as the Ministry of Municipal Affairs and Housing, over the next several years.

The Centre is directed by a Steering Committee of 19 volunteer representatives from government, academia and the private sector. The Steering Committee is supported by three working groups mirroring the Centre's main functions:

Data Utility Working Group - Responsible for obtaining data, reporting the data according to the guidelines established by the Steering Committee and distributing the results to the Best Practices Identification Working Group(s);

Best Practices Identification Working Group - Develops best practice reports for specific service areas, or groups of service areas, which are in turn reviewed and approved by the Steering Committee;

Communication Working Group: Develops plans and processes to promote awareness and adoption of best practices, including a guide for municipalities.

The Centre's is presently focussing on three of the MPMP core service areas: roads, solid waste management and water/wastewater. Other service areas will be examined in the medium-term.

Based on its initial work, the Centre has singled out five factors critical to improving the delivery of municipal services:

- co-operation between stakeholders to collaborate on a framework that objectively identifies municipal best practices;
- standard data structure and reporting procedures;
- standard criteria for identifying and analysing municipal best practices;
- flexible data systems that can integrate other applicable databases with the Centre's core data sets; and
- resources to synthesize data, conduct due diligence reviews and report results.

Relevance for Infrastructure Canada

It is generally recognized that the development, implementation and assessment of policies and programmes related to infrastructure is hampered by significant gaps in data. The data collection, analysis and dissemination underway through the three Ontario initiatives therefore have potentially wide relevance for the department and the associated networks should be viewed as potentially important avenues for departmental outreach activities.

More specifically, the types of practices addressed by OCMBP reports to date (e.g. on best practices identification methodology and community partnership building) include many non-technical aspects of infrastructure. These complement the more technical focus of the best practices developed by the ICP-funded National Guide to Sustainable Municipal Infrastructure.

The types of data collected and analyzed by the Centre may be of interest to Operations and Policy as they consider selection, evaluation and reporting requirements for the municipal element of the new programme. The Centre's work may also be relevant for Corporate Services and its interest in departmental planning and accountability.