Discussion Paper on Service Delivery Models

December 1996

DEPUTY MINISTER TASK FORCES

PREFACE

During the course of 1995, the Clerk of the Privy Council established nine Task Forces led by Deputy Ministers. The intent was to explore a variety of issues, identified in the wake of Program Review.

The nine Task Forces and their mandates were:

- **Service Delivery Models** - to examine service delivery issues from a citizen's point of view.

- **Overhead Services** - to identify ways to improve management of overhead services on a government-wide level, with an emphasis on cost savings.

- **Federal Presence** - to develop an on-going database on federal presence across Canada, examine how that presence may change over time, and identify issues from a geographical or regional perspective.

- **Federal Presence Abroad** - to report on programs and Canadian government representation outside Canada, and to determine how federal government representation overseas could be made more cost-effective.

- **Strengthening Policy Capacity** - to review our current policy development capacity and to recommend improvements.

- **Policy Planning** - to provide an assessment of the policy agenda to date, survey the environment, and provide strategic advice on key policy issues.

- **Managing Horizontal Policy Issues** - to develop practical recommendations on the management of horizontal issues focusing on improved coherence, and improved collaboration.

- **Values and Ethics** - to examine the relationship between existing and evolving values in the public service, and to consider ways to align values with current challenges.

- **A Planning Tool For Thinking About the Future of the Public Service -** to identify long-term trends which influence the Public Service, and develop a strategic planning tool.

The chairpersons of the individual Task Forces were given broad mandates and the freedom to choose their approaches. Some conducted broad national consultations while others involved only key stakeholders. In some instances, they produced formal reports and recommendations. In

others, the results are tools, such as the database on federal presence and the scenario kit to test options against various future scenarios. Two Task Forces were integrated into broader exercises. The Task Force on Federal Presence Abroad flowed into the Program Review II exercise at Foreign Affairs and International Trade and the work of the Task Force on Policy Planning contributed to the preparation of the Speech from the Throne.

Despite proceeding independently, the Task Forces produced results and recommendations which reveal a high degree of convergence on key conclusions. They all point to a need for action on a number of fronts: horizontal integration, partnerships, culture, service in the public interest, policy capacity, client-focused service and human resource management.

The Task Force findings also echo conclusions emerging from other work in the Public Service during the same period. Within departments, there have been a wide variety of initiatives underway to modernize service delivery and the lessons learned are mutually reinforcing.

There has also been considerable work across departmental lines. In many instances, this work has been undertaken by interdepartmental functional groups. For example, the Council for Administrative Renewal has been working on a variety of initiatives to streamline overhead services. A Treasury Board Secretariat Subcommittee has been active in exploring how technology can facilitate the clustering of services, even across jurisdictional lines, based upon the life cycle needs of individuals and businesses for services from their governments. The Personnel Renewal Council has been working actively to engage unions and managers corporately, on a national basis, to renew our work environments and work relationships. In other instances, the work has been carried out by Regional Councils in developing initiatives to share local services and to integrate program delivery.

The central agencies have also been working to modernize systems and processes. For example, the Treasury Board Secretariat has been leading the Quality Services Initiative which has developed a wealth of material to assist departments in improving the services they provide.

Finally, a new initiative called *La Relève* to improve human resource management within the Public Service will comprise a wide range of initiatives at the individual, departmental and corporate levels, all with the aim of investing in people to build a modern and vibrant institution for the future.

The reports of the Task Forces are now available. Together, they have produced concrete tools and recommendations to improve service to the public and to elected officials. Their results do not constitute and were not intended to serve as a formal blueprint for public service renewal. Rather, they are expected to make a contribution to work already in progress toward getting government right. Departments and agencies working in partnership with central agencies will continue to work toward implementing the Task Force recommendations and will build on the common learning acquired through the Task Force work to further the process of renewal.

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Foreword

In recent years, governments in many countries have introduced one reform measure after another designed to modernize their operations and improve the efficiency and cost-effectiveness with which they deliver service.

Canada has been no exception to this trend. At the federal, provincial and municipal levels, important reform measures have been launched to improve the delivery of government service. A number of case studies reflecting the activities of various governments appear in Volume II of this report.

In 1995, the Clerk of the Privy Council established this Task Force as one of several that would examine government renewal issues. As the Task Force on Service Delivery Models, we were asked to concentrate on the delivery of government services "from the citizen's point of view," to discover what changes, short of reorganizing government departments, could be introduced to improve the way in which the federal government serves Canadians. We attempted to put ourselves in the citizens' shoes and to hold up a mirror reflecting what they see.

The Task Force embarked on an ambitious work plan. We consulted across Canada with public-sector union leaders, business leaders, members of Federal Regional Councils, provincial and municipal governments, front-line managers and clients.

In Volume I, we review key issues inherent in any effort designed to improve the federal government's service delivery. We promote a citizen-centred approach and conclude with specific recommendations on how government can further improve delivery of its service.

The Task Force put in place a research program, the results of which appear in the other three volumes of this report. The research work includes the preparation of 34 case studies, which appear in Volume II. Scenarios that envision how government service might be organized under a citizen-centred approach to service delivery and that deal with clustering around service for seniors, the mining sector and government information services appear in Volume III. A public opinion survey, a survey of clients and public servants, focus group reports, an examination of accountability issues, a reflection on impediments to interdepartmental cooperation, and a review of past public-service renewal initiatives appear in Volume IV.

Members of the Task Force also participated in a joint KPMG-IPAC series of roundtables chaired by Robin Ford, Deputy Minister of Labour, Alberta, and David Zussman, Public Management Research Centre and University of Ottawa. Three case studies were jointly prepared with that group. Together with the Task Force on Horizontal Issues, we co-sponsored a study by the Institute on Governance entitled "Trampling the Turf." The various volumes of the Task Force report, together with related studies, appear on CCMD's Web site.

During the course of our work, we heard a great deal about how Canadians see their government and what they have come to see as government's role in their lives. We also found an abundance of information and examples on how Canadians are being better served in both the public and private sectors. We have no hesitation in reporting that the service ethic in government has taken hold, and we would like to applaud and encourage the many initiatives we reviewed. While the Task Force on Service to the Public reported in 1990 that "the public service ... is not service-oriented," this is no longer true. In spite of downsizing and difficult times, the service ethic has taken root.

It is clear, however, that more can be done. We were struck, in particular, by the number of federal public servants who felt that what they were doing to improve service delivery would not be supported by head office in Ottawa, by the Treasury Board or, in many cases, by the Auditor General.

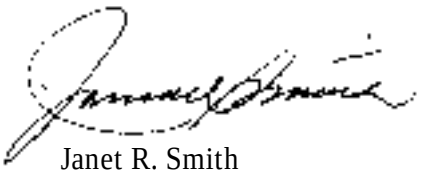
It also became clear to us that there is no "silver bullet" in terms of one model for improving service that will provide the template for reform. While we have learned and applied what is useful from international experiences, Canadian public servants are working in their own way, creating models of "made-in-Canada" innovation from which we can all draw inspiration.

Indeed, as we pursued our work, much was going on elsewhere in relation to the change agenda emerging, especially from Program Review I and II. For example, the 1996 Budget announced the creation of three Alternative Service Delivery Agencies, and a special unit focussed on alternative service delivery was established by Treasury Board.

The Task Force would like to thank all those who contributed to this study. While they were too numerous to mention by name, we want everyone who submitted ideas, met with us and worked so diligently to know that we appreciate their help. A few people deserve special mention: Jim Armstrong was the Executive Director for the project and managed the research

program; Maryantonett Flumian, Senior Assistant Deputy Minister, Western Economic Diversification (WD), and Don Stephenson, Director General, Economic Policy (WD), worked with us throughout the project and spent many of what should have been their leisure hours seeing the project through to completion.

The work that we began, others will be called upon to finish. We believe that the four volumes of this report will serve as a solid foundation.



Janet R. Smith
Chair, Task Force on Service Delivery

Introduction

The Mandate: Putting the Challenge in Context

The mandate given to the Task Force—to explore government service delivery from the citizen's point of view—emerged from international trends first set in motion in the late 1970s, when debates began simmering in many countries regarding the role that government should play. It was during the early '80s, too, that a number of public opinion surveys began documenting a marked decline in citizens' deference to governments. The public management literature began to advocate importing private-sector business practices into government and the need for a client-centred focus.

These trends spurred observers to produce books and articles about a crisis of confidence in government, to which the public service in many countries responded with a series of "renewal" efforts, such as PS2000 and Program Review I and II in Canada, the Volker Commission and the National Performance Review in the United States, and the Next Steps initiative in Great Britain.

The majority of these responses, however, concentrated on organizational and administrative reforms; that is, they looked at reforms from the point of view of administrators, not that of citizens. The Task Force's mandate to examine service delivery from the citizen's viewpoint, therefore, brought a new perspective to the evolving concept of service delivery.

> "Each of the lines (tax operations) was aligned by its legislative mandate, not to the customer. There was a strong case for integration and tremendous opportunities to reduce overhead and generate economies of scale."
>
> *Pierre Gravelle*
> *Deputy Minister, National Revenue*

The focus shifts, and expands

In 1989, the Task Force on Service to the Public was the first government-wide effort to introduce private-sector principles of client-centred organization to public-sector renewal. While it cast the description of "service" fairly broadly—including policy and legislative development, regulatory and enforcement activities, and conventional service delivery to Canadians—its primary focus was on improving service transactions by creating the culture of a client-centred organization, the central feature of which was the management of "total quality."

> "The customer has one problem, but we break it into parts and think we are serving them."
>
> *Case study on Service New Brunswick*

While we believe that more remains to be done to implement the recommendations of that report, we also recognize that there have been significant changes to citizens' expectations of government, that new challenges have arisen as a result of downsizing, and that the silos of

"There are now virtually no departments where problems are self-contained or where solutions do not involve more than one traditional sector of government activity. As a result, there is a greater need for new and more horizontal ways of studying problems and finding solutions. Horizontal co-ordination is now essential, requiring new mechanisms and new approaches to systems."

The Honourable Marcel Massé
President of the Treasury Board

government are as important an impediment to effective service delivery as was the quality of service addressed by the 1989 Task Force on Service to the Public.

In accepting this mandate, the present Task Force initially expected to focus on issues related to "transactional services"—as had been done in the past. We concur with the Auditor General's recent report on Service Quality, which amply demonstrates the improvements that remain to be made in transactional services. It quickly became clear, however, that while citizens wanted the federal government to provide for transactional services in the most efficient, timely, cost-effective and courteous manner possible, they also wanted more—they wanted effective service that was clustered and integrated between departments and levels of government. Significant improvements in what citizens were looking for would only be possible if we also examined the policies and administrative framework that supports the service.

"The Public Service must become better organized to deliver programs and services from the client perspective. Building on models such as the Canada Business Service Centres, more attention needs to be given to the use of "service clusters" where a group of departments and agencies share the responsibility and cost of providing a range of services. "Service clusters" do not have to be restricted to federal departments. Partnerships—whether with the non-profit or business sectors or with other levels of government—can allow for innovation and specialization to a degree that is often not possible with a single organization."

Jocelyne Bourgon
Clerk of the Privy Council

For example, if a company is marketing a new biotechnology product in Canada, at the federal level alone it might well have to deal with as many as five different departments: Agriculture and Agri-Food Canada, Health Canada, Environment Canada, Fisheries and Oceans Canada, and perhaps even Revenue Canada, Customs and Excise. This silo-like organizational structure puts the onus on citizens themselves—not on the governments that serve them—to integrate the many services Canadians need from all levels of government.

While it is important, from a policy perspective, that the Government of Canada be organized around discrete departmental lines, such as those described in our example, from a citizen's perspective, service delivery by those same departments of necessity makes the service appear fragmented and, as such, is a source of frustration to those we seek to serve. An unemployed youth, living on his or her own, without the life skills and appropriate education and training to secure employment will, by necessity, be forced to deal with federal, provincial and municipal levels of government in order to access assistance to address the complex, multi-jurisdictional nature of his or her needs.

Organizing service delivery around policy issues works only as long as citizens relate to government according to the policy divisions: farmers to the Department of Agriculture and Agri-Food, fishers to the Department of Fisheries and Oceans. As the world becomes more complex and governments respond in a policy sense by creating departments such as Environment Canada, citizens find themselves in what to them is "red tape."

Studying the implementation of "single-window" service led the Task Force into examining complex issues of accountability and partnerships, as well as the interdependence of policy, program design and delivery.

1

The Citizen's Viewpoint

In spite of efforts to improve service to citizens, the recurring theme in public opinion surveys is an unprecedented level of public mistrust, antipathy and even hostility towards government. Public opinion surveys have also had another clear and consistent message in recent years: the status quo is no longer acceptable to Canadians or, for that matter, to public servants themselves.

In a 1992 survey, "Perspectives Canada," by Insight Canada Research, respondents, when asked to rank the service they receive from eight public- and private-sector organizations, gave higher ratings to private firms (except for property and casualty insurance companies) than to the three orders of government. Furthermore, services at the municipal level received the highest rating, followed by provincial services. Federal services trailed all categories. In the same survey, over 30 percent of the respondents reported that the quality of service provided by the federal government had declined in the previous five years.

In 1990, the Task Force on Service to the Public conducted a survey of public servants on issues related to service. In 1996, this Task Force asked for a follow-up to the 1990 report. The research examined the nature and quality of service transactions from the perspective of both public servants and the citizens they service. It included a random sample of 1,200 federal public servants representing the front line and middle and senior management. It also included a parallel sample of 700 "clients"/public composed of both individual citizens and representatives of organizations (public- and private-sector) who have recently dealt with departments included in the survey of public servants. In addition, twelve qualitative focus groups were conducted with "clients" and public servants. Finally, those results were situated in the context of broader findings drawn from the ongoing work by Ekos Research Associates Inc. on the *Rethinking Government* project.

Findings from the *Rethinking Government* study suggest that Canadians' expectations of government have diminished over the past decade. This decline is produced by growing recognition of the deficit, disillusionment with the efficacy of government intervention, and a consensus that citizens cannot rely solely on government to solve the range of problems that government was expected to solve in the past. Data from the current study further charted Canadians' disaffection with government (Exhibit 1).

A majority of citizens believed that we cannot afford to maintain our current level of government programs (58 percent) and that too many government programs do not work (70 percent).

Exhibit 1
Citizen Disaffection with Government

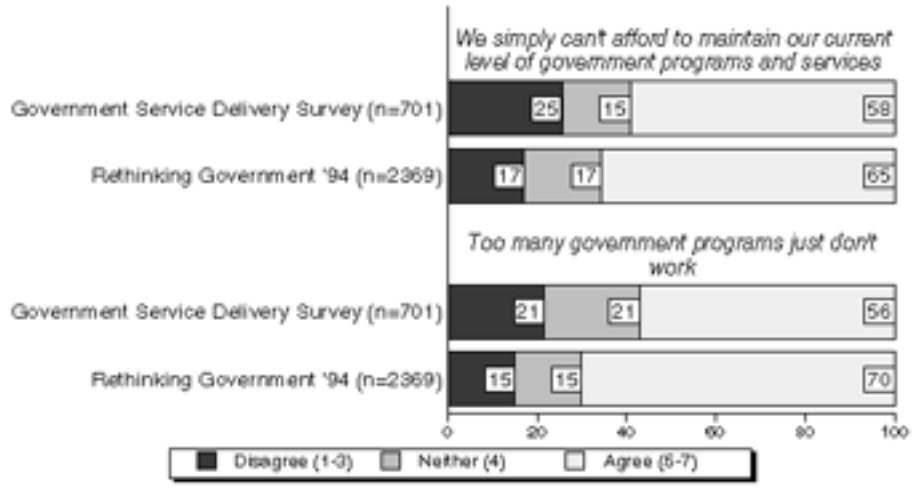
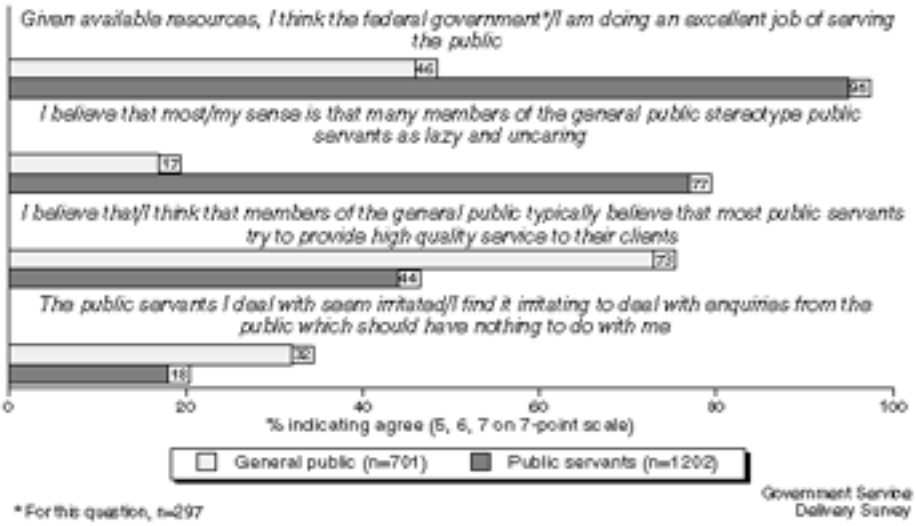


Exhibit 2
Service Ethic in the Federal Public Service



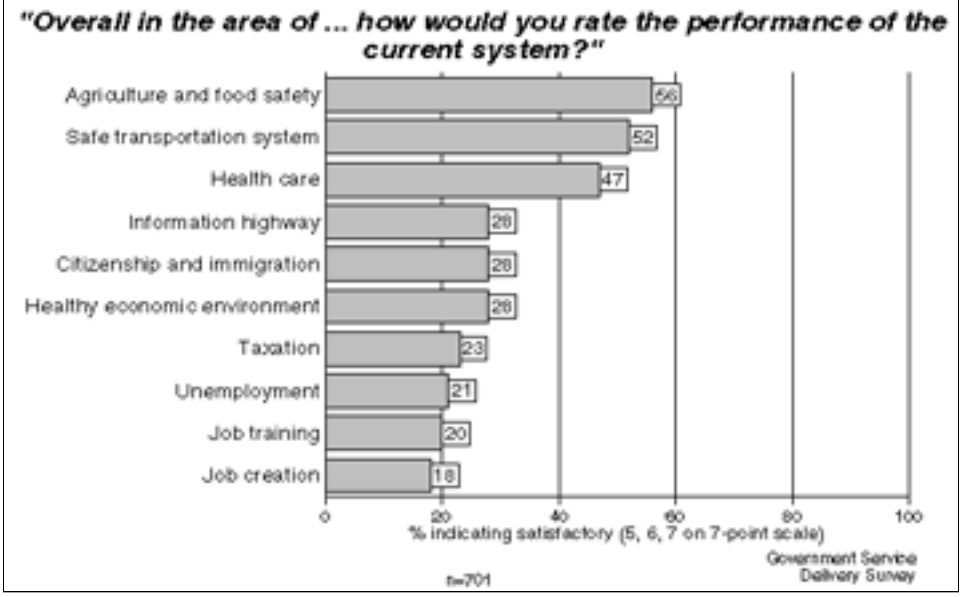
In the focus groups, members of the general public tended to put forward two interrelated views concerning their expectations of government. First, most participants readily acknowledged that it is "unrealistic" to expect the status quo in government service in times of fiscal restraint. Rather, they expect ranges in service delivery, including more self-service and computerized approaches. At the same time, however, they rejected the idea that a deterioration in service quality is inevitable under the current circumstances, particularly in the case of personal contacts with public servants.

With the exception of the most senior managers, the majority of focus group participants believed that the public's expectations have remained high. Four contributing factors were identified: 1) the public/clients are more "sophisticated and aware"; 2) cost-recovery has raised the expectations of clients because they are paying for service; 3) the general public feels frustration and antipathy towards governments; and 4) improvement in private-sector service has "raised the bar for government."

A comparison of public servants' perceptions of their service ethic to the views of the general public suggests that public servants are both self-lionizing and self-deprecating (Exhibit 2). Public servants were much more likely than the

general public to feel that, given available resources, they were doing an excellent job of serving the public. At the same time, they strongly believed that the general public thinks they are lazy and uncaring; in reality, only a small minority of the general public reported feeling this way about public servants.

Exhibit 3
Satisfaction with the Current System



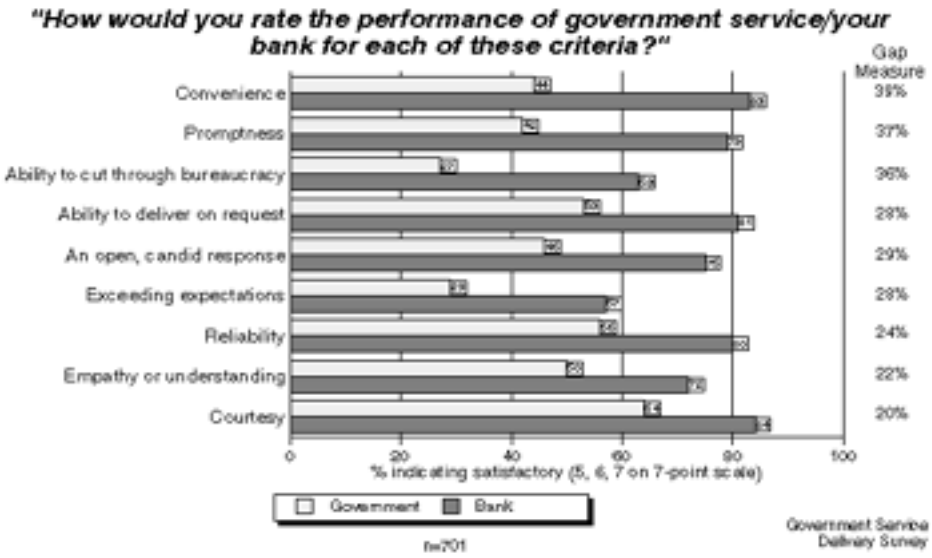
Young people hold particularly negative views of public servants, and this finding is another example of young people's disconnection from and hostility towards broader society—a finding documented throughout the *Rethinking Government* study. This more recent data suggests that this disconnection and hostility among youth continues unabated. Organizations, respondents with a higher contact rate with government, older respondents and those with university education tend to hold more-positive views about public servants.

Linked with the other attitudinal questions described above, it seems that Canadians remain dissatisfied with the current system (Exhibit 3). Only agriculture and food safety and a safe transportation system were rated as barely satisfactory. Similar to the *Rethinking Government* findings, human resource areas (job training, unemployment and job creation) were rated the most poorly.

Exhibit 4
Gap Between Importance of Service Element and Performance of Government Delivery

Respondents were asked to rate both the importance and performance of government

Exhibit 5
Gap Between Public's Perception of Government Performance and Bank Performance



service delivery across a variety of service elements. The general public/clients accorded a high priority to virtually all elements of service listed, but were very negative in their assessment of public servants' performance in delivering on these elements (Exhibit 4).

Respondents were asked to compare how government service delivery compares to that of a bank (or some other private-sector company). The general public/clients were much more likely to rate banks' performance across all service elements as superior to that of government (Exhibit 5).

In the focus groups, this issue was discussed in the broader context of comparing federal government service delivery with the service delivered by the private sector. Participants were more or less divided about who provided better service. Essentially, federal government service delivery was described as more consistent, while experiences with the private sector were more likely to be characterized by peaks and valleys.

Despite the sense within the public service that progress is occurring, and that service performance is good given constraints, citizens do not share this self-image. For whatever reasons, we find that the experiences of clients mirror broader public disaffection with government as an institution. Most clients do not agree that public servants are doing an excellent job—even recognizing resource constraints. In fact, when comparing client expectations on the key dimensions of the service transaction rated by clients, there is a huge gap between recent experiences and expectations (Exhibit 4). Clients place a premium on cutting through red tape, timeliness, transparency and openness, and getting results. On all of these crucial dimensions of the service transaction, client satisfaction levels are low, registering 25 to 50 percent.

Recent *Rethinking Government* results indicate that nearly 90 percent of Canadians believe that "higher quality customer service" is important to producing a "result-oriented" federal government. "Accountability for measured results" is seen as the most important criteria on a list of ideas that might improve governance in Canada. Transparent decision-making was second most important.

Improvements to service delivery are important. They must be built on a solid foundation of core values and roles, but the public is less attached to the federal government as a delivery agent. As governments begin to row less and steer more, they must ensure that they preserve the core roles that the public sees as crucial: guardian-protector (of the public interest); partner-broker (coordinating different sectors); goal-setter (in cooperation with other players); and economic steward.

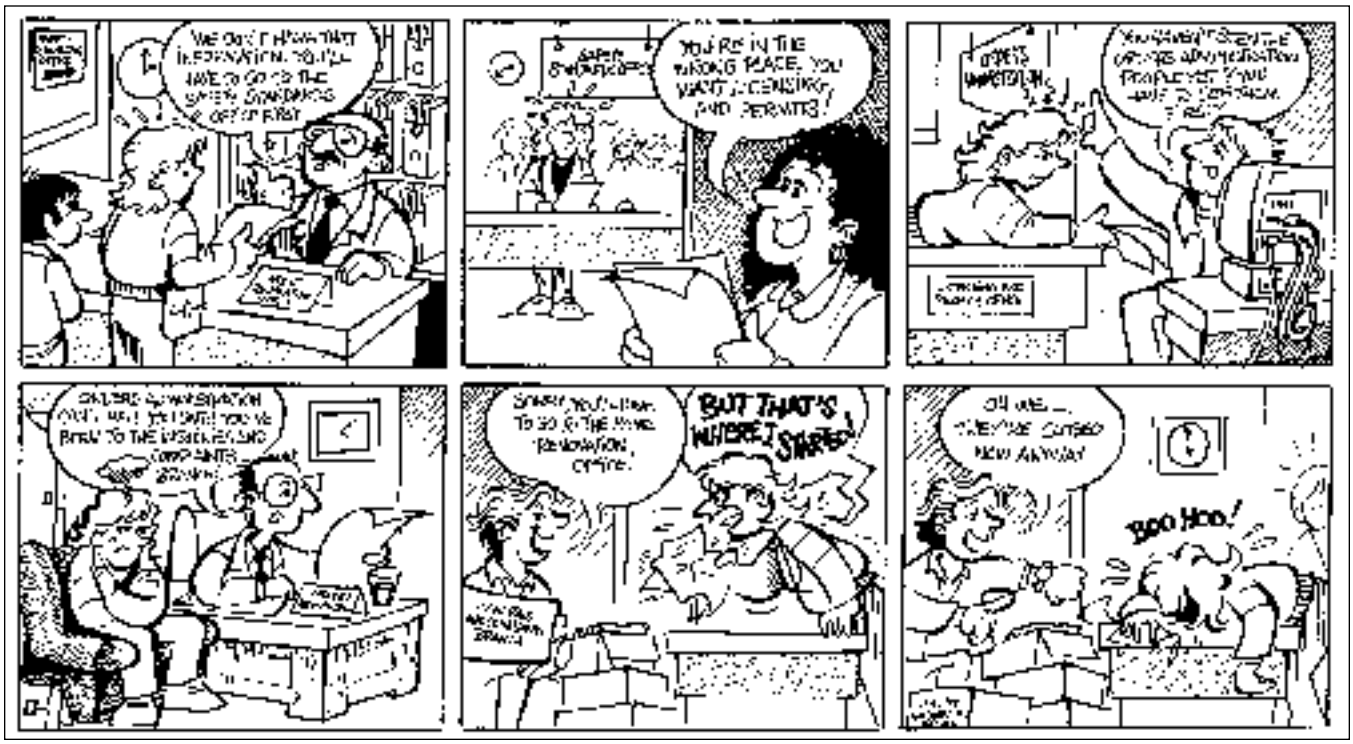
It is important to note that the specific transactions between citizens as clients and the federal government generate the same general reactions as the overall impression of government as a whole. With little difference overall, reactions/approval of the federal government are the same whether based on general impressions or most-recent transactions.

New models of service delivery must be designed with input from communities of citizens around whom service can be "clustered" and delivery integrated, while taking into account the core roles of the federal government. The service issues are systemic and as such will require a transformation of the organizational culture and a rebalancing of some of the forces that have shaped the current system.

2

Citizen-Centred Service

It is clear that, notwithstanding the many improvements in the delivery of individual services across virtually all departments, Canadians continue to feel a level of dissatisfaction. As such, the discussion concerning service must take place in a broader context. Public policy is made in one environment and service is delivered in another. This has created tensions that are now fundamental to the diagnosis of the problem. A public need is identified, a policy is developed, the program is designed and, at the farthest end of the continuum, service is delivered. In government, public servants on the front lines are judged by how they implemented the policy, not by how they deliver service. Service is on the periphery of appraisal. The people to be served are often the last considered. Citizens begin to feel that they do not really matter in what government is trying to achieve in the name of the public interest. Front-line staff try to overcome this feeling of alienation on the part of citizens, and this causes greater tension between the policy and program development staff and the service delivery staff. These dynamic tensions within government are working to the detriment of the citizen, and neither citizens nor public servants want to continue with the status quo. The answer rests in the treatment of service delivery as a systemic issue requiring a new relationship between how policy is made and how service is delivered, with constant feedback to reinforce the linkages. We must continue service improvements in all the areas of quality management, but we must seek out a new balance in the area the Task Force has called citizen-centred service.



"The point of the citizen-centred approach is that it can extend the notion of "outside-in" organization beyond the question of client satisfaction with individual service delivery transaction to the much more difficult and complex issues of inter-governmental dimensions and governments' relations with citizens through all facets of government responsibilities for rules, regulations, framework policies and governance. The citizen-centred perspective does not involve satisfying everyone, necessarily, but it still demands responsiveness to the needs of, and respect for, the concerns of citizens directly involved as well as those indirectly represented."

Rod Dobell and Luc Bernier
Citizen-Centred Governance in a Congested Global Village, IPAC/KPMG

The five examples that follow demonstrate what is possible when the citizen is at the centre of service delivery. These examples, at different stages of implementation, captured the imagination of the Task Force.

Service New Brunswick

Service New Brunswick (SNB) is already applauded as a tremendous success. SNB brings 90 provincial services under one roof through a network of offices within easy access of most of the population. Staff are trained to provide the services available from 16 different government departments and report to an SNB manager. SNB provides single-window access at a counter, a kiosk, a telephone or through personal computers. SNB, not the citizen, integrates the services of many provincial government departments in one convenient location.

New Brunswick officials like to tell the story that before SNB, an entrepreneur trying to open a gas station/convenience store had to obtain 13 different licences and permits from seven different departments. Not only did she have to find her way to the right offices, but she also had to solve the riddle of which order to follow. And the right order was, effectively, unknown—even to most of the government officials involved. Officials comment that, when they started talking to citizens, they realized that departments put their own convenience above that of the people, treating only the part of the problem—only the part of the person—for which they had specific responsibility.

The transformation brought about by SNB has benefits beyond the front counter. It is also helping the Government of New Brunswick save money and manage its resources more efficiently. Ideas abound on how to push the model further, such as using SNB to deliver the services of other levels of government.

In the SNB case, accountability for policy and program design remains with the respective Ministers. SNB is their delivery mechanism and it is responsible for the delivery of the service provided.

This model of citizen-centred service has earned the Government of New Brunswick very favourable reviews, both from the business community and the general public.

Canada Business Service Centres

Canada Business Service Centres (CBSC) exist in all of the provinces, each of them structured as local circumstances dictate. In their most advanced form, they are federal, provincial, municipal and private-sector partnerships in the delivery of information, counselling services and assistance in researching business and trade questions. In the case of InfoEntrepreneur in Quebec, the centre is staffed by public servants from federal and provincial governments and employees of the Montreal Chamber of Commerce. Line management is provided by a federal public servant on contract to the Chamber. Accountability for program policy remains with line departments in the two levels of government, and the costs of the service are shared. Staff are employees of all three partners, seconded to the centre. The resources of the centre can be accessed by telephone, fax, computer and in person. Twenty-four federal government departments and many provincial departments provide information through this centre.

CBSCs were initiated by the Treasury Board as an experiment in providing a limited form of one-stop access to business information. This model has not required legislative change. Arrangements are worked out at the local level between the responsible federal agency and the other partners. Client satisfaction surveys have demonstrated that these centres have been well received by new entrepreneurs and the small business community. To date, however, these centres continue to offer service that can still be found within the delivery system of individual departments. Greater efficiencies and more integrated delivery could be achieved if they truly became the delivery point for one-stop service for small businesses.

ServiceOntario

A further example, demonstrating yet a different model of clustering, is ServiceOntario. ServiceOntario is a province-wide, public-access network of self-serve kiosks that deliver a broad range of provincial government services and products. Using state-of-the-art hardware and multimedia software technologies, individuals are able to renew their driver's licences, research information on used cars and update personal information on their health cards. The service is available 24 hours per day, 365 day per year.

ServiceOntario is a partnership between the Government of Ontario and IBM. It is an example of a service delivery joint venture, and is structured to provide a balance between shared risk and return for all participants, while focussing on the needs and expectations of citizens. This initiative is described by the Government of Ontario as an excellent service tool that allows departments to redeploy staff to more-complex service activities, where

judgement plays a greater role. IBM financed the entire project, owns and operates the assets for a six-year term, and is able to recover costs and potentially make a profit on the basis of a transaction-based pricing model.

The Canadian Food Inspection Agency

Still another model of clustering is the Canadian Food Inspection Agency, conceived to consolidate and enhance the efficiency and effectiveness of federal inspection services related to food, animal and plant health and to provide for increased collaboration with provincial governments. This agency will be created by legislation. Policy responsibility will rest with the Ministers of Agriculture and Agri-Food, Fisheries and Oceans, Health and, in the event of provincial collaboration, with the appropriate provincial Ministers. Delivery responsibility will rest with the Minister of Agriculture and Agri-Food. The existing accountability regime will remain in place for policy matters, while a new accountability regime is created for delivery.

The legislation, introduced for first reading on September 19, 1996, sets out the accountability regime, the organizational structure, human and financial resources regimes, and the powers and reporting framework of the agency. It also amends certain enforcement provisions and penalties in the federal statutes that the agency will administer. The legislation empowers the Minister to delegate "to any person any power duty or function, except regulation-making authority, which is conferred on the Minister," thereby allowing for and encouraging a whole range of partnering and contracting arrangements not permitted under most other federal legislation. The bill also provides for strong powers in the area of contracting, which will permit the agency to "enter into contracts, memoranda of understanding and other agreements with a department or agency of the Government of Canada or the government of a province and with any other person or organization in the name of Her Majesty in Right of Canada or in its own name."

This is an example of clustering in a multi-layered, regulatory environment with vertical and horizontal links to several departments and jurisdictions.

P.E.I. Health and Community Services

A final and equally complex example of clustering service delivery is the reform of the health and community services system in Prince Edward Island. The vision for the new system, elaborated by a 1992 Task Force on Health, is a citizen-centred, community-managed, cost-effective health service. The old system perpetuated a situation in which three main provincial agencies, Human Resources Development Canada, nursing homes, community organizations and hospitals provided a range of health and social services, each working on their own with no obligation to work together. Overall

management structures were fragmented, inefficient and excessive for a small population. Expected cutbacks in federal transfers only exacerbated the situation. P.E.I. decided it could no longer continue with fragmented, overlapping structures. Instead of accepting the silos of departmental organization, P.E.I. began a process of defining outcomes on major horizontal issues. Governments, communities, service providers and citizens focussed on what they collectively wanted to achieve, and organized accordingly.

The government created the Department of Health and Social Services, which has responsibility for policy matters. A Health Policy Council, appointed from the public and service providers, was established to advise on overall policy and philosophy for the health care system and on the development of goals and objectives, as well as to hold public consultations. Further, a Health and Community Services Agency was established as a Crown corporation, under the direction of a provincial board reporting to the Minister. There are five regional service delivery boards to plan and oversee the delivery of services and allocate funding. The budget is with regional boards, which select the service mix they need from the parent Crown corporation.

This model is based on a greater reliance on individual and community participation. Citizens are encouraged to take more responsibility for the priorities that are set in their communities. Responsibility has shifted from the system, where service providers and governments are expected to have all the answers, to a more participatory model.

Like the Canadian Food Inspection Agency, the P.E.I. initiative is an experiment in clustering service in a complex environment, including multiple jurisdiction and partners. What distinguishes this model, however, is its community-based approach to service. If successful, it will provide a new way for governments, service providers, community organizations and individuals to work together, with decision-making shared at the community level.

Lessons learned

Having described, by way of some examples, what the Task Force means by citizen-centred models of service delivery, we turn to the main characteristics of these models.

First, they tell us that we have to expand the concept of “client-centred” organization to fit the realities of the public sector. We must imbue systems with the dynamism, energy, and outward-looking learning characteristics of the client-centred organization, described by the 1989 Task Force on Service to the Public. We must also take into account all of the complexities of managing service delivery in the public sector.

It has become conventional wisdom that the private sector is far more efficient than government in its operations and in delivering services. Public opinion surveys completed for the Task Force confirm that Canadians regard the private sector as being more efficient than government.

Comparisons between the public and private sector are inevitable because Canadians can easily compare the service they receive from government with the service they receive from other sectors. Sometimes, they will make these comparisons without considering that the service provided by governments is complicated by obligations to deal, on a daily basis, with issues far more complex than those addressed by most private-sector businesses.

Governments have imported management practices from the private sector. Indeed, many became convinced that governments could learn a great deal from the business community in better delivering services to "clients." Total quality management (TQM), a management technique designed largely to improve the private sector's service delivery, became fashionable among government administrators in most Western countries.

While the Task Force is convinced that government can, and has, drawn valuable lessons from the private sector as regards the delivery of service, not all "services" delivered by government can be managed simply by borrowing best practices from the business community.

Regulations, guidelines and decision-making processes can appear to duplicate and contradict each other from one department to another and between federal and provincial governments. For example, should a water quality specialist from one department be able to stop a major mining project by coming to the defence of the fish that live in a lake near the proposed mining site? From the perspective of the project proponent, the interest of business development and the consequences of such a decision on the local population in terms of lost employment and development opportunities should be paramount. Environmentalists and conservationists, however, see the situation quite differently. They want the regulations strengthened, and they demand the due process they strongly believe wildlife and future generations deserve.

There are important differences between the private- and public-sector marketplace:

- In private-sector transactions, "client" generally implies a sole party to a service transaction;
- In the public sector, there are often many "clients," with different interests on a single issue;

- The client in the private sector has the option of taking his or her business elsewhere, while the individual rarely has this option in government; and
- In the public sector, the citizens elect the politicians—this is a level of market acceptance unknown in the private sector.

Balancing the interests of competing clients is a major role of government. Thinking in terms of "citizens," rather than "clients," takes these differences into account.

All of the models described above—Service New Brunswick, Canada Business Service Centres, InfoEntrepreneur, ServiceOntario, the Canadian Food Inspection Agency and the P.E.I. Health and Community Services Agency—demonstrate the differences between the public and private sector: the difference between client-centred and citizen-centred organization. They also illustrate other critical characteristics of citizen-centred service, which are characterized by the following:

- Citizens are treated as active participants in the design and delivery of services;
- Service is planned using a holistic approach, clustering service needs around a targeted client group;
- Governments, not the citizen, are responsible for integrating service;
- The government concentrates on setting the goals and ensuring the outcomes;
- Service partnerships between government departments, levels of government, and other providers are fundamental to this approach;
- Obstacles—jurisdictional, organizational or legal—to a partnership approach are removed; and
- Service design and delivery systems are continuously measured, questioned and improved.

This last point is of particular importance. What emerges from successful service-improvement initiatives is a very dynamic process that fully integrates feedback loops. Progress is made on a step-by-step basis, learning along the way. This leads the Task Force to conclude that an environment conducive to continuous learning is necessary.

A learning culture means continuously adjusting, evolving and improving to better meet citizens' needs. It means helping public servants to learn from one another by putting in place the necessary support and infrastructure. It also means new rewards and incentives, not only to strengthen service delivery but also to promote a learning culture itself. Such systems must take

into account the necessity for people to take risks and learn from the results of their actions, be they entirely successful or not. It also requires setting goals and focussing on outputs rather than controlling inputs.

Among several important initiatives taken to support improved service to Canadians, the Treasury Board has led the Quality Service Initiatives (QSI). The starting point for this program is existing services, and it looks for ways to improve delivery. Departments are encouraged to develop service standards that address such issues as speed of response, waiting times, etc. These standards, and efforts to meet them, do improve service delivery to citizens, and the Task Force joins the recent report of the Auditor General in noting the uneven performance of departments in articulating effective service standards.

However, service standards do not encourage service providers to look for clusters of services to offer together. We found a similar response in Great Britain. The executive agencies did respond to citizens' concerns for better service delivery. There has been no move, however, to suggest mergers of service providers to make service delivery more convenient or responsive to citizens. The services of individual departments are improved and made more accessible through initiatives such as electronic service kiosks, but citizens still have to integrate the services of several different kiosks to access all of the services they need.

These observations have led the Task Force to conclude that to get to citizen-centred service that cuts across departmental silos, discussions related to service delivery must be initiated at the policy development stage. It should no longer be automatically assumed that a service should be delivered by the department responsible for the policy. The policy process should include an analysis of existing delivery mechanisms at all levels of government to determine where the best match can be found. Rather than each department or agency having its own call centres or kiosks, we would look to use one distribution mechanism for a variety of services. We would look for one outlet such as the Canada Business Service Centres for all business-related programs in several departments. With its expertise in collecting taxes, we could look to Revenue Canada to collect fees and payments on behalf of departments, and so on.

Citizen-centred service incorporates citizens' concerns at every stage of the service design and delivery process; that is, citizens' needs become the organizing principle around which the public interest is determined and service delivery is planned.

The View from the Public Service

During the course of its work, the Task Force sought the views of public servants on issues related to the improvement of service to Canadians. In addition to the work undertaken by Ekos Research, the Task Force met with Federal Regional Councils across the country; service innovators from across the public service were involved in the research and preparation of the 34 case studies; and the Institute on Governance consulted with senior public servants and program and policy managers who participated in five workshops.

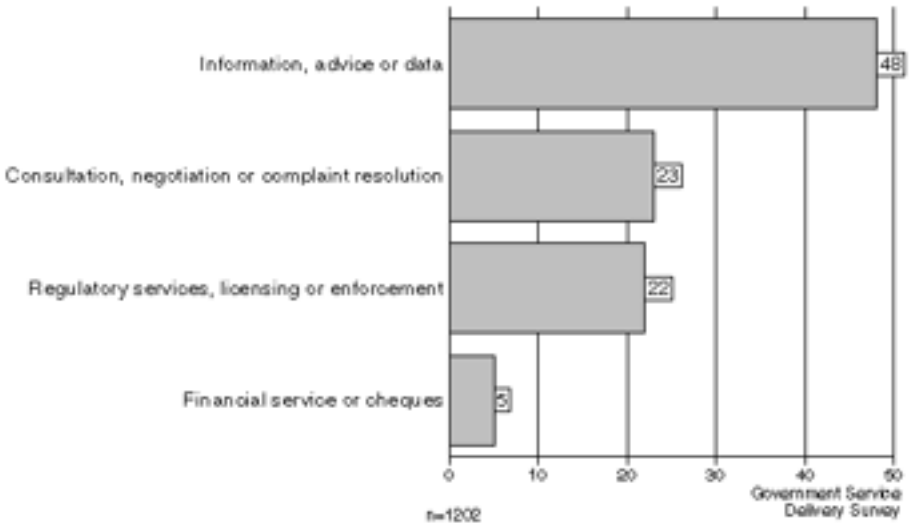
Survey findings

This section of the chapter details the findings from the Ekos survey of public servants. Findings from the focus groups with public servants are also presented to help illustrate and explain the survey results. Selected findings from the 1990 Service to the Public study are highlighted to allow a comparison of perceptions and practices in 1990 with those in 1996.

Both in the survey results and in the focus groups, public servants identified a major trend away from personalized service towards the use of the telephone and other electronic methods in dealing with the public. Many agreed that one of the challenges they face in managing this change is in making the most of the few remaining opportunities for face-to-face contact. For some, meeting this challenge means isolating those points in the service delivery transaction in which face-to-face contact is most desirable to the client and most effective for both parties: "We used to always meet our clients each time they wanted to discuss something with us, but this was expensive because we had to fly. We now use teleconferencing a lot. We see them less, but when we do see them the meetings are more important and productive." (Middle manager, Montreal)

The type of service most often provided to the public includes information, advice or data services (Exhibit 6).

Exhibit 6
Type of Service Delivered



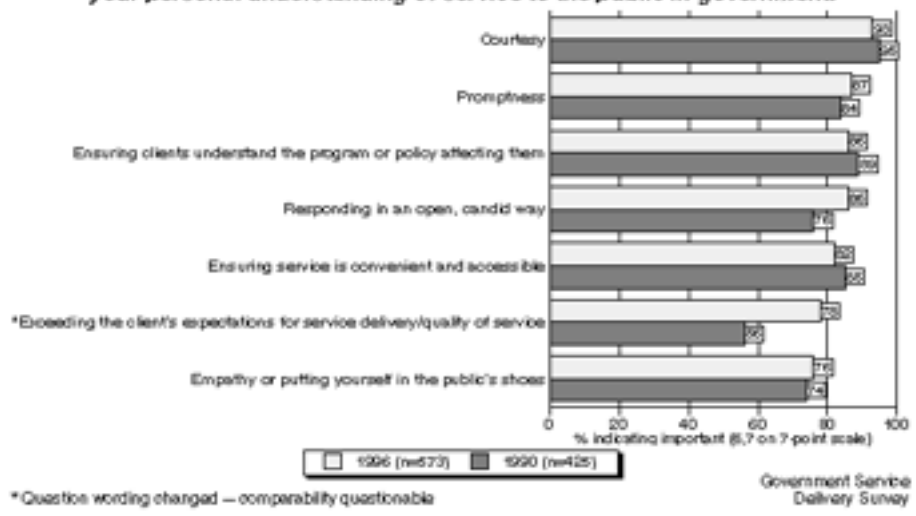
Senior managers are much more likely to provide consultation, negotiation or complaint resolution services (34 percent).

Sixty percent of respondents indicated that their unit has a written plan for service delivery. The presence of a written plan for service delivery and an innovative service delivery mechanism are strong predictors of service ethic, beliefs about support from management, and higher morale.

The existence of a written plan varies greatly across the eight departments included in this study. In one department, fully 74 percent of respondents indicated that their unit has a written plan for service delivery; in another department 48 percent reported having such a plan. All other departments fall in between.

Exhibit 7
Tracking Elements of Service to the Public

(Front Line Staff Only)



Understanding service to the public

Front-line staff were asked to rate the importance of a variety of elements to their understanding of service to the public (Exhibit 7).

Front-line staff share a common understanding of what constitutes good service. Moreover, these results are similar to client/general public views on elements of service, indicating that public servants and citizens have a shared model of the ingredients of good service.

In the focus groups, public servants reflected different perspectives when defining their understanding of service. In most cases, this was a function of the type of activity they were involved in (e.g. enforcement versus information provision). Whatever their perspective, however, a number of key common points emerged across the focus groups. They included the following:

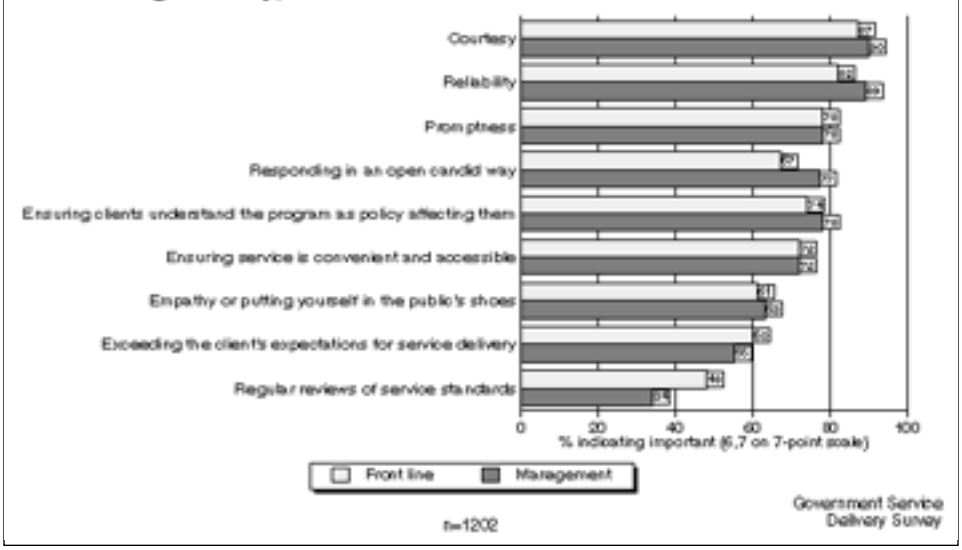
- Public servants are confident that they understand the meaning of quality service;
- Over the past decade or so, a service ethic has taken hold; and

- Public servants in general, and front-line staff in particular, are more likely to approach their work from the citizen's perspective: "As auditors, we used to enforce the rules and regulations and that was it. Our job was to catch people. Now we see our job as helping business comply with the rules." (Middle manager, Halifax)

Support for service

In order to get a sense of any gaps between management and front-line staff with respect to support for the various elements of service to the public, both front line staff and managers were asked to rate the extent to which management encourages each of the elements of service (Exhibit 8).

Exhibit 8
Support for Service to the Public

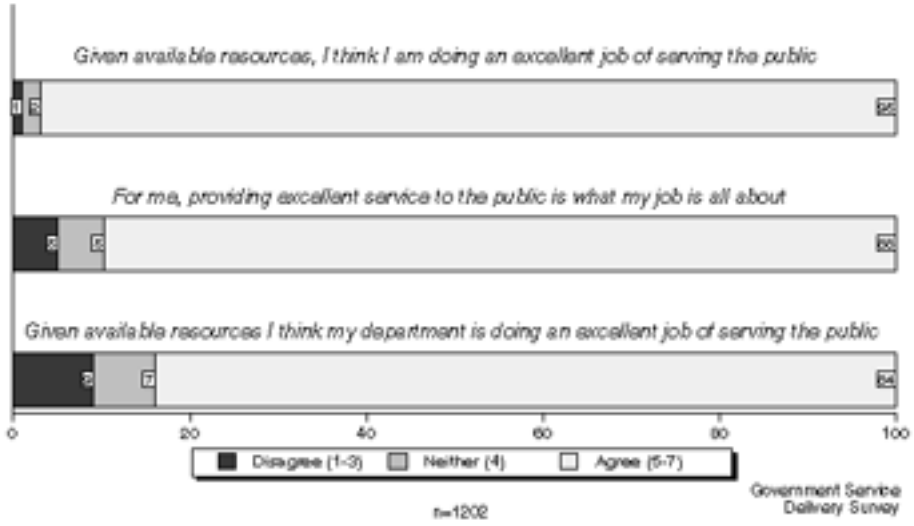


In the focus groups, discussion around the issue of responding in an open and candid way produced interesting results. A consensus emerged on two facets of this question. First, participants at all levels agreed that their work today is conducted in a significantly more open and transparent manner. Participants gave numerous examples to illustrate how employees do not limit themselves to responding to a request in a narrow or minimal way. Rather, they aim to respond in a manner that allows the citizen to understand why, for example, a certain decision was made. The second point of consensus revolved around the question of openness as it relates to managing expectations. Front-line staff and middle managers, in particular, expressed frustration and concern at not being able to explain to clients/the general public that service levels and quality have been negatively affected due to budget cuts: "We have half the staff we did three years ago and the same number of calls. People want to now why they have to wait longer for their call to be answered, but we are not allowed to tell them about the [budget] cuts. It makes us look bad and it's demoralizing!" (Middle manager, Vancouver)

Respondents were also asked a variety of attitudinal questions aimed at examining management's support of service to the public. Public servants indicated that, generally speaking, they are supported by their managers in efforts to serve the public, particularly with respect to listening to employees' views and encouraging suggestions about how to improve service.

The focus group findings suggest that front-line staff and middle managers feel that they receive strong support for serving the public from their immediate supervisor and senior manager. In contrast, many identified a lack of support from the most senior officials in their department.

Exhibit 9
Basic Attitudes and Self-Rating of Quality of Service



Self-assessment of service

There is evidence of a strong service ethic in the federal public service (Exhibit 9). Overall, fully 95 percent of respondents felt that given available resources, they are doing an excellent job of serving the public. Eighty-eight percent felt that providing excellent service is what their job is all about. Eighty-four percent indicated that, given available resources, their department is doing an excellent job of serving the public.

The survey findings were mirrored in the focus groups. Front-line staff and middle managers pledged their commitment to serving the public, while senior managers concurred that their employees are very devoted to serving the public: "Frankly, given all of the changes and cutbacks that have gone on, I'm sometimes astounded that [the level of commitment] is so high." (Senior manager, Ottawa) Public servants explained their high level of commitment as stemming from "pride," "representing Canada," and from the positive feedback they received from satisfied citizens. In fact, positive feedback was identified as a major source of motivation in the relative absence of rewards such as pay raises and promotions: "There haven't been raises in five years and the possibility of advancement is pretty limited right now, so the main reward I get is the satisfaction from helping my clients."

Despite the positive commitment to service expressed by respondents, the general public was far less likely to feel that the public service espouses this strong service ethic.

Influences on service

A range of positive influences on service to the public exists in the federal public service, as summarized in Exhibit 10.

Exhibit 10
Positive Influences on Service to the Public

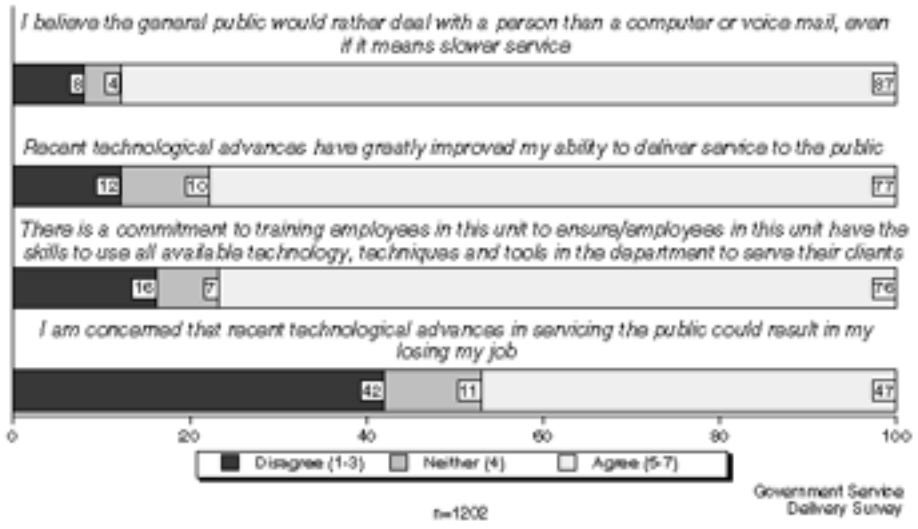
A number of the issues highlighted in Exhibit 10 were also discussed in the focus groups. As in the survey, participants indicated that they have a solid grasp of who their "clients" are. For the most part, the "client" was identified as the Canadian public at large (e.g. in the case of regulators/inspectors) and/or the individuals with whom they have contact. Several participants noted that they often get telephone enquiries that are not within their area of responsibility, and that an important aspect of good service is to help direct the person to the appropriate government contact.

In addition to positive influences, the findings reveal a number of troubling forces that may impede service to the public. Three in four respondents believed that many members of the general public stereotype public servants as lazy and uncaring. In the focus groups, public servants spoke about this issue in more subtle terms. While they tended to agree that the stereotype of public servants is largely pejorative, they were also quick to note that the majority of the public with whom they deal do not harbour this negative view. This finding was generally corroborated in the discussions with non-public-service participants.

Another troubling finding is that only about half (48 percent) of front-line staff believed that unnecessary forms, rules and bureaucratic thinking are being eliminated in their department. The existence of too many unnecessary forms, rules and bureaucratic processes was identified by focus group participants as a key barrier to the development of innovative service delivery models and the improvement of existing systems. Public servants at all levels, but particularly middle managers, said there are too many internal

requirements to "feed the bureaucracy." In the regions, they spoke of having to meet the requests of Ottawa, while in Ottawa they referred to sometimes onerous and often seemingly superfluous central agency requirements. The requirements and process to obtain signing authority from a number of levels in order to proceed with fairly ordinary tasks were given as mundane examples of this key barrier.

Exhibit 11
The Influence of Technology



Technology

Respondents were asked a variety of questions aimed at determining their views about how technological advances have influenced their ability to serve the public. These findings are displayed in Exhibit 11.

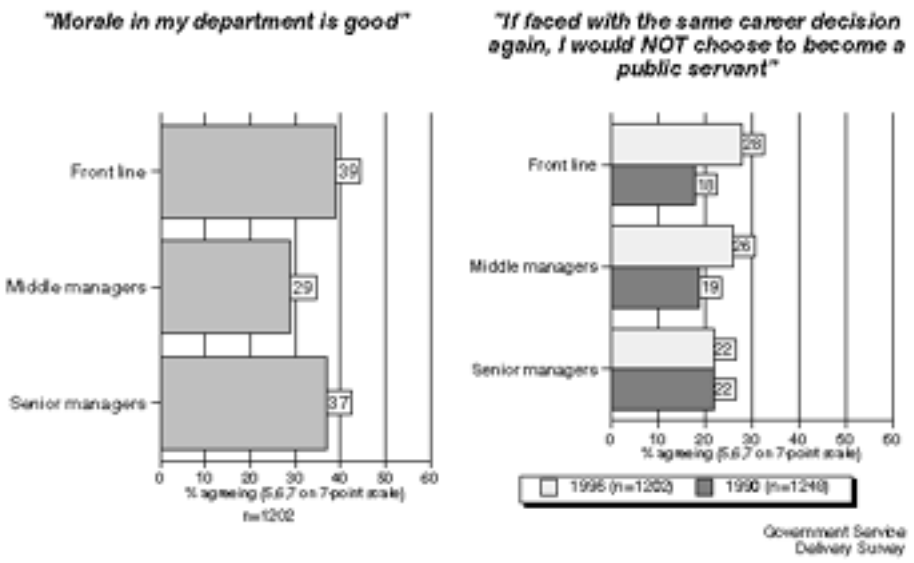
Respondents generally expressed positive views about the influence of technology on service delivery. The views expressed in the focus groups are consistent with these findings. Most participants acknowledged that technology has helped them bridge the gap between sustained demand and reduced resources. Most were convinced that technology would have an increasing role to play in the delivery of services. Moreover, it was noted that a technology such as automated voice systems is unsuitable for elderly people. For many participants, the challenge is to make the most of the remaining opportunities for human interaction. Generally, participants agreed that the public prefers personal interactions over self-directed automated service.

Comparing public servants' beliefs about public preferences related to technology with the actual preference of the general public reveals a sizable gap between the two groups. Eighty-seven percent of public servants believed the general public would rather deal with a person than a computer or voice mail, even if it means slower service; only 68 percent of the general public actually expressed such a preference.

Morale

Overall, only 35 percent of participants felt that morale in their department is good; and middle managers were particularly pessimistic in their view of departmental morale (Exhibit 12).

Exhibit 12
Morale in the Public Service



Morale tends to be higher among those who have a written plan for service delivery and those with an innovative service delivery mechanism.

Similar findings emerged from the focus groups. Almost everyone agreed that morale in their group is low, and many specified that morale is "at an all-time low." Participants identified a number of explanatory factors to account for low morale:

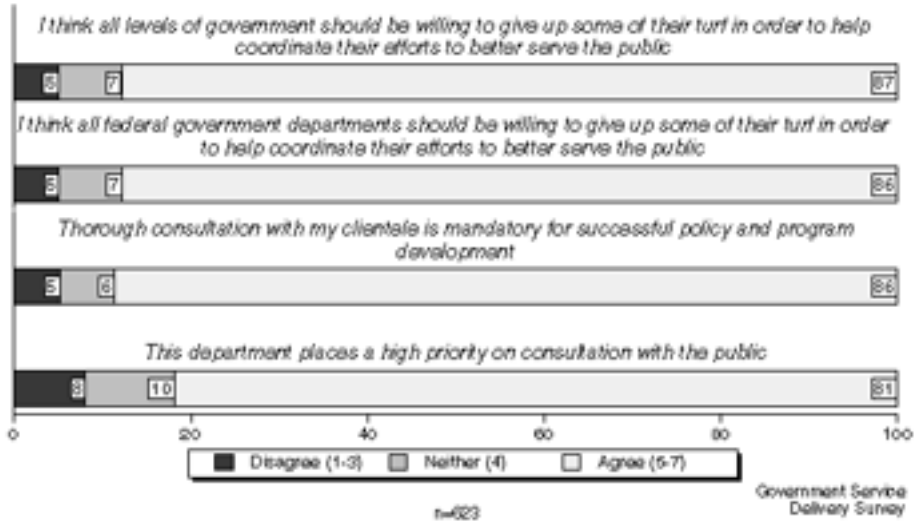
1) *Employees do not feel valued.* That the organization does not value employees was conveyed to participants in a number of ways: the five-year wage freeze; public derision; pejorative comments from MPs and even some members of the government; having to give priority to serving senior officials and the minister over serving the public; and a lack of adequate tools and resources.

2) *A pervading climate of uncertainty*. Many participants, particularly those in "most affected departments," spoke of a seemingly never-ending state of change. This has depressed morale in two ways. First, it breeds insecurity about job loss: "We have created massive instability by the necessity to plan layoffs 12-18 months ahead." (Senior manager, Vancouver) Second, it creates confusion among staff about their purpose, mission and direction: "Things have changed so much I don't even know what our mandate is any more." (Front line, Halifax) "It's death by initiative." (Middle manager, Halifax)

3) *Having to meet clients' needs and expectations with diminishing resources.* Most public servants who participated in the focus groups felt that public expectations remain high. This demand, coupled with diminishing resources, results in higher levels of stress and frustration. A number of

Exhibit 13
Attitudes Toward Territorialism and Consultation

(Management Only)



managers and front-line staff described the situation in their group as nearing the breaking point: "You can call it service delivery, but I call it crisis management." (Middle manager, Montreal)

Partnership and consultation

Middle and senior managers were asked several questions addressing how territorialism in the public service and consultation with the public are viewed with respect to service delivery (Exhibit 13).

Managers, particularly senior managers (94 percent), strongly endorsed the idea that all levels of government should be willing to give up some of their turf in order to coordinate their efforts to better serve the public. Similar findings were observed with respect to the willingness of all federal government departments to become less territorial.

The Task Force viewed the question of territorialism as important, as it is common wisdom in Ottawa that the protection of turf is a major barrier to integrated service delivery. It was for this reason that the Task Force co-sponsored a survey of senior public servants by the Institute of Governance.

The Institute conducted workshops of public service managers and senior executives to diagnose the root causes of territoriality in the behaviour of public servants, identifying some 60 contributing factors. These discussions also focussed on prescriptions, identifying the most important factors contributing to the protection of turf and proposing mechanisms to begin dismantling the barricades this behaviour builds between departments.

The workshops concluded that the obstacles to interdepartmental and intergovernmental cooperation are systemic and that a systemic approach to removing them is required. Managers challenged themselves to articulate a "*clearer sense of general direction and shared values...; more consistent leadership;*

changes to reward systems and incentives; the clarification of performance expectations; the development of new skills and other initiatives to reshape ... the culture of the public service."

Managers observed that territoriality among departments is inherent in the public sector, because it "*is designed to be the forum through which the competing demands of society are addressed*." This role, by definition, must create "*friction*" or "*positive tension*" between departments mandated to represent legitimate and conflicting interests. As observed by one senior manager, "*the conflict isn't inherently bad, but we need better mechanisms to work out the conflict and reach closure or a solution*."

Managers strongly supported thorough consultation with their clientele and indicated that their department places a high priority on consultation. Comparing this consultation data with the 1990 survey, it appears that middle managers are now somewhat more likely to feel that their department places a high priority on consultation (from 70 to 78 percent), and are slightly more likely to feel that thorough consultation with the public is mandatory (from 80 to 85 percent). Senior managers show virtually no change (from 80 to 83 percent) with respect to the priority of consultation, or as regards the necessity of close consultation with their clientele (from 89 to 87 percent).

Public servants who participated in the focus groups agreed that consultation is increasingly a priority in their group. About half tend to rely on informal means of consultations and/or by taking corrective action in response to complaints. Other participants spoke of having instituted more systematic consultative mechanisms, such as surveys and focus groups with clients, as well as meetings and calls specifically related to gathering feedback. A number of participants also indicated that their group or department had set up consultative committees with representation from both public servants and clients (e.g. industry representatives).

In a somewhat different view, some senior managers argued that more sophisticated methods of consultation with the public would be increasingly required as the federal government focusses more on governance, policy development and macro-level coordination, as opposed to direct delivery.

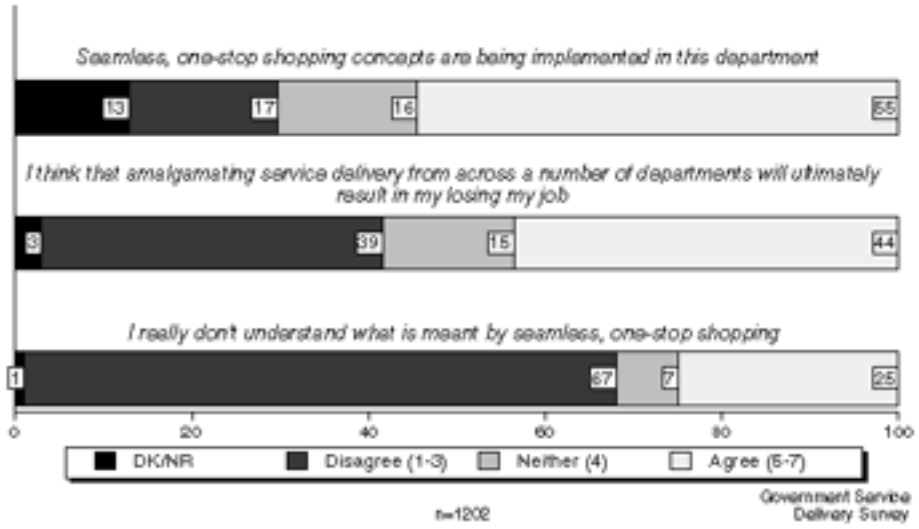
The perceptions of managers in the public service concerning consultation and partnership were compared with those of the general public. Findings from this comparison suggest that the general public does not share public servants' conviction regarding the prominence given consultation by the government. Only 37 percent of the public feels that government places a high priority on consulting with the public in order to provide a higher quality service (compared with 81 percent of public servant management).

Despite cynicism about governments' commitment to consultation, a strong majority of the general public (81 percent) feels that governments should be looking for new ways to better serve the public through partnerships with business and community organizations.

One-stop shopping

Respondents were asked several questions about one-stop shopping concepts as a way of delivering service to the public (Exhibit 14).

Exhibit 14
Perceptions of One-Stop Shopping



The majority of respondents (67 percent) indicated that they understand the meaning of one-stop shopping. On an overall basis, only a slight majority (55 percent) believed that these concepts are being implemented in their department; however, this percentage is influenced by the fact that one third of respondents do not know what is meant by one-stop shopping concepts. Of those public servants aware of one-stop shopping concepts, 67 percent indicated that the concepts are being implemented in their department.

Forty-four percent of front-line staff believed that amalgamating service from a number of departments will ultimately result in their losing their job. These feelings were particularly pronounced among those working outside of the National Capital Region.

The one-stop shopping approach to service was noted as a key trend by public servants in the focus groups. Most saw advantages and disadvantages inherent in this model of service delivery. On the positive side, they recognized the convenience for the client of having to make fewer contacts to obtain service. The main drawback was felt to be the loss of expertise resulting from having clients/members of the public deal with "a generalist."

Innovation

Respondents were asked to rate how innovative their service delivery mechanism is in relation to other areas of government, as well as the private sector. Overall, a majority (67 percent) of public servants believe that their department delivers innovative service.

The focus group results suggest that in most quarters innovation is more likely to be seen as something that is in the offing, as opposed to a reality. Current service innovations described by participants include: self-directed work teams; new partnerships with provincial governments, community organizations and the private sector; published service standards; decision-making delegated to the lowest possible level in the organization; and formal client feedback mechanisms. Participants seemed to share the view that further innovation is possible and desirable. While some expressed concern stemming from a fear of the unknown, most expressed optimism about the development of innovative service delivery models. Some middle managers and front-line staff saw in innovation the possibility of more secure and satisfying employment.

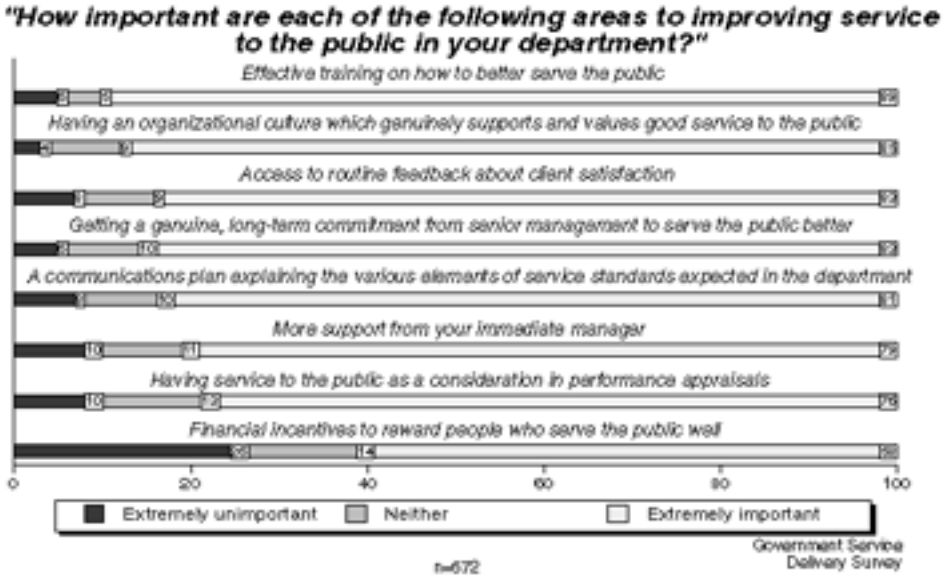
Most senior managers also realized the promise of innovation. In fact, quite a few commented on how well their group had been able to maintain quality service in the midst of cutbacks by reorganizing and redesigning systems and procedures. However, many feel insecure about designing further innovations, voicing concerns about insufficient information (e.g. case studies, sample agreements, best practices, practical advice) and insufficient support from the most senior levels of their department. One participant suggested "an inventory of expertise or a speaker's tour or an extension of a CCMD-kind of program where they bring in people who have done something useful to share it. I would like to see that extended out across the country so I can have an opportunity to send my staff to a presentation by somebody who has put it all together." (Senior manager, Vancouver)

Perceptions on service improvements

Public servants felt that service delivery has improved over the past five years, and that it will continue to improve over the next five years (Exhibit 14). Senior managers, those with higher morale, those with a written plan for service delivery, and those with an innovative service delivery mechanism, were particularly optimistic about improvements made over the past few years, as well as the continuation of these improvements in the future.

Exhibit 15
Improving Service to the Public

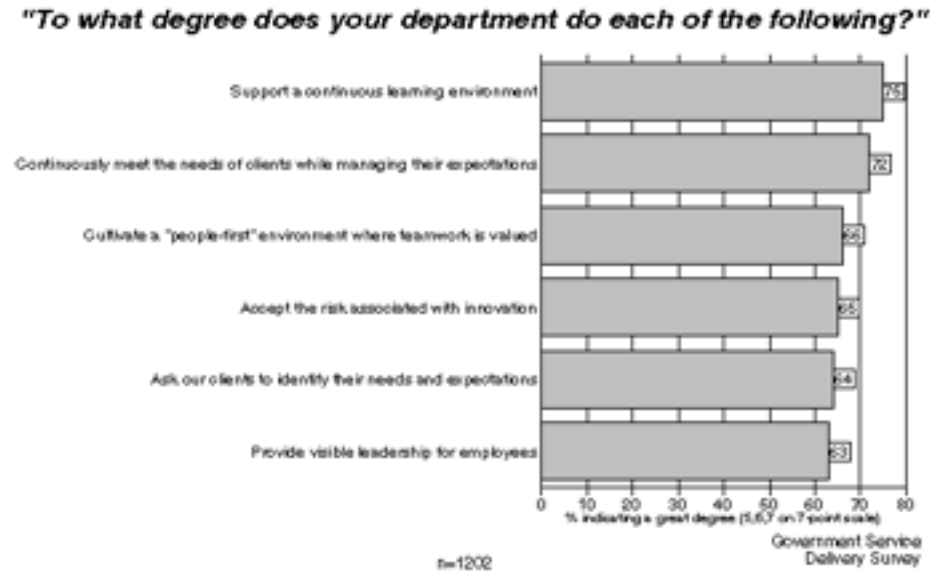
(Front Line Staff Only)



These optimistic perceptions about government service were not shared by the general public. Only a minority (39 percent) of public respondents felt that government service has improved over the last five years; and an even smaller proportion (30 percent) believed that service delivery will improve over the next five years.

Front-line staff were asked to rate the importance of a range of initiatives in improving service to the public (Exhibit 15). Across all but one of the areas listed (financial incentives to reward people who serve the public well), at least three in four believed that implementation of the initiative would improve service. Training, support from management and feedback about client satisfaction were the areas most strongly endorsed by front-line staff.

Exhibit 16
Service Delivery Culture



It is instructive to note that while 81 percent of front-line staff felt that a communications plan explaining the various elements of service standards expected in the department would improve service to the public, only 64 percent indicated having such a written plan in their unit.

Service culture

Respondents were asked to rate the degree to which their department undertakes a variety of initiatives related to service delivery (Exhibit 16).

Respondents were quite positive in their assessment of the implementation of these initiatives by their department, particularly with respect to supporting a continuous learning environment and meeting the needs of clients.

Focus group participants tended to agree that a service culture has developed in their group and throughout the government. They also felt that there is still much room for improvement. A key barrier to the further development of a service culture was identified—the persistence of a strong aversion to risk-taking in the corporate culture. Linking this trait to the need to "protect the Minister," many focus group participants characterized the prevailing ethos as one that "avoid[s] making mistakes." In the eyes of most participants, such an attitude stifles initiative and the development of truly innovative service delivery models: "Sure we are encouraged to innovate, 'just don't make a mistake'." (Middle manager, Halifax)

Listening to the front lines

The portrait of public servants' perceptions of service issues sketched above reflects the views of a broad cross-section of federal public servants. The Task Force also interviewed many managers of innovative service delivery initiatives at all levels of government, through the 34 case studies, and senior federal officials responsible for service delivery, through the meetings of the Chair with Federal Regional Councils. These are government's own service champions—the experts in innovative service approaches, who can deepen our understanding of these issues through the richness of their experience. In the literature on service quality, the constant refrain is to "liberate" your service champions. We can start by listening.

On motivation

It is clear that the central objective of most recent service innovation has been expenditure reduction. In the face of dramatic budget cuts, innovative approaches to service delivery have sometimes been the means to ensure the continuation of the function—and even to preserve the mandate of the organization. The results, however, were more often measured in client satisfaction. Indeed, some of the anticipated savings failed to be realized, or took longer to achieve than had been estimated at the outset, typically because significant capital outlays were required to introduce new systems, particularly as regards technology support. In the cases of the B.C. Government Agents and the Vancouver office of Immigration Canada, officials commented that drastic cuts in human and financial resources resulted in a redesign of service delivery that improved the quality of service.

Service managers commented on the utility of budget reductions to create the impetus to change and to innovate. One commentator observed that, with the luxury of generous budgets of the past, "… *each department could afford the manicured turf of its own lawn. After the cutbacks, they were willing to share the dandelions and weeds just to have some semblance of a backyard*."

In some cases, the constraints on the public sector in investing in costly new infrastructure was a key consideration. For the expansion of the Vancouver International Airport and the automation of the Ontario land registry, for example, commercialization of service delivery provided access to private-sector capital markets to finance new physical and technology infrastructure. The impetus to these service delivery innovations was expenditure constraint, but they were encouraged by a change in public views of the role of government. As documented in *Rethinking Government*, Canadians appear to be less concerned than in the past about who provides the service, so long as the service continues to be provided and is of good quality. This is a real change in public attitudes towards the role of government and gives us greater licence to adapt private-sector solutions to service delivery challenges.

Very often, managers pointed to freedom from burdensome government administrative procedures as a benefit of alternative service-delivery arrangements. In particular, delays in decision-making were cited as a problem in traditional public-sector service delivery, resulting from the needs to balance competing demands and to ensure due process. Without disputing the need for checks and balances in managing public funds, managers sought greater freedom to make decisions and to take initiative. Centralized decision-making was cited frequently as an obstacle to service delivery.

In every case, however, case study managers saw improvements in the quality of service to the public as the principal benefits of service innovation. They took genuine pride in improved client satisfaction ratings, where they had been surveyed, and spoke with conviction of the opportunities to rebuild the relationship between government and citizens.

On partnership

Partnership has taken on new meaning. The majority of service innovations have been built on partnerships—between government departments, between levels of government, between the public and private sectors, and between the public and voluntary sectors.

In many of the case study interviews, and in discussions with Federal Regional Councils, service managers commented that they had little practical experience in managing partnerships and that they found few useful tools in

government to assist them. They lamented the absence of guidelines and framework policies, both within central agencies and their own departmental headquarters, to guide their efforts. This reflects the fact that these managers are leading the way. Their efforts are shaping the policies and developing the management tools for others who follow, through the lessons they are learning in service delivery innovation.

The Forintek case study provided an insight into the ingredients of a successful public-private service delivery partnership: a win-win solution that provides "*a clear, enduring rationale for each partner's involvement*." The government's intent must be "*clear, consistent and transparent to the business community*."

At the broadest level, clarifying the intent of the service means using the "V" word (i.e. "vision"). Several service delivery innovations surveyed in the case studies illustrated the importance of a clearly articulated service "vision" to the success of the initiative. Innovative approaches to service delivery are impossible to plan with absolute precision at the outset; many course corrections are required along the way. Service managers observed that an effective, written, widely communicated service vision, focussed on the desired outcomes for the client, helped guide the way as well as bridge differences between stakeholders and foster a commitment to the process.

At a more practical level, partnerships require clear service objectives, performance targets, service standards, roles and responsibilities, service procedures, reporting requirements, cost estimates and funding commitments, and more. The Employee Takeover Corporations (ETC) initiative of the National Capital Commission provides a useful example. In order to call for proposals for ETC initiatives to privatize services of the Commission, detailed specifications for each service had to be articulated. The requirements for ETC proposals had to be set out in writing to clarify the mandatory service requirements, the legal obligations of the parties, the minimum requirements for business plans and the allowable ownership structure for employee corporations. These were documented carefully in order to provide an effective framework for the service partnership, as well as to help guide novice entrepreneurs (NCC employees) through the process and to ensure a fully transparent and defensible process in the event of a challenge by central agencies or the public.

The case study of service partnerships at Canada Post Corporation—which includes franchising, contracting-out and other arrangements—illustrated that partnerships force a business discipline on government, in addition to providing the benefits of private-sector expertise and risk-sharing. This discipline is both in clearly setting out the details of the partnership in advance and in bringing a commercial perspective to the service delivery

approach. To be successful, all parties to the partnership must profit, even if "profit" is defined in different terms by each stakeholder. For the private-sector partner, the arrangement must hold the promise of financial reward and provide a sufficient term to amortize capital investments. Of equal importance to private-sector partners, however, is certainty as regards performance expectations and measures.

Service managers commented that central agencies sometimes played a contradictory role in service initiatives, sometimes encouraging moving forward expeditiously to ensure that expenditure reduction targets were met, and sometimes taking care in adopting new approaches to avoid difficult precedents. Service managers driving these projects forward often found one central agency foot on the accelerator and another on the brake. The NCC employee takeovers initiative offers a striking example of the dual role of central agencies as watchdog and facilitators, which often resulted in conflicting advice on policy issues even within the same central agency. Officials from both the NCC and central agencies themselves noted the need for senior staff to give more of their personal attention to mediating such policy conflicts. Indeed, one senior service manager asked whether "… *any thought has been given to reforming central agencies as part of this exercise?*"

In some cases, special enabling legislation provided a strong underpinning to the service initiative. Perhaps the most striking was the legislation that provides the foundation for Alberta's Delegated Administrative Organizations (DOA)—private-sector entities that provide services for a fee while remaining under the policy control of the government. Under broad, permissive legislative authority to delegate government functions, individual DOAs can be established by Order-in-Council on ministerial recommendation. In the case of the Clearing the Path project, legislation provided administrative clout to ensure the success of a new multi-departmental business registration system. In still other cases, managers believed that they were operating beyond formal authority. Many managers expressed the view that legislation constrained their ability to enter into partnership, particularly in view of ministerial accountability for the actions of their departments.

On champions for change

The importance of leadership was raised often by service managers and regional officials. Service managers frequently commented on the importance of committed leaders to the success of the initiative. They asked that senior management commit more of their time to service-delivery issues, including in the central agencies, in order to resolve policy questions expeditiously.

Service is about people. Perhaps the most difficult challenge for leaders is in addressing the service culture in the organization. Public servants face uncertainty over job security; they have an exaggerated perception of the low esteem in which they are held by the public (documented above); they have seen continuous waves of administrative reform wash over the organization; they believe that, within the resources and policy constraints imposed on them, they are already doing a good job in delivering service; and they remain convinced that policy and management functions are more highly rewarded in the organization than service. These are the starting points for changing the service culture of our organizations.

Successful service managers comment in the case studies that changing the culture of the organization takes time and a long-term management commitment. Senior management must demonstrate, day after day, that they are willing to be part of that process, in order to break the impasses but also to demonstrate the priority of service in the organization. The case study of changes at Western Diversification illustrates that change is hard work and that it cannot be managed part-time by managers who must divide their attention among many competing demands.

On innovation

One of the most disturbing issues that constantly arose in the final draft of case studies was how often innovative public servants asked us not to report on their innovations for fear of being discovered by head office or Treasury Board. Public servants on the front line feel that somehow what they are doing is breaking the rules. While this form of innovation can still lead to improvements, they can only be episodic and tied to the personalities that make them work.

Managers noted that an important component of changing the culture of an organization is to invite the staff into the process, by consulting and communicating early and often. As well, the critical importance of investing in training was underlined by all service managers surveyed. One of the principal characteristics of private-sector service organizations is their high expenditure in training and communications, and perhaps this is among the lessons we can learn from the business community.

On technology

As demonstrated by the Accès Montréal information service, Ontario's POLARIS land registry, Human Resources Canada's service delivery network and several other case studies, technology is an important enabler of service innovation.

As observed in the report of the Auditor General on Renewing Government Services Using Information Technology, the Treasury Board has made "*significant progress*" in several areas to coordinate the application of technology across departments and to lay the foundations for new applications. And, as has been commented elsewhere in this report, the TIMS sub-committee on TBSAC has made impressive strides in the design of new interdepartmental initiatives in integrated service delivery through information technology.

Some case study managers cautioned that government should rely on proven technologies, rather then invest in the development of new ones, in the design of service-delivery systems. A counterpoint was offered by others who noted that government can use the relatively large size of its procurements to develop new technologies in strategic alliance with Canadian companies, increasing their competitiveness.

A potential additional benefit of public-private partnership in the development of information technology systems to support service is the leadership it may provide in setting industry-wide standards that encourage the exchange of information within the industry. For example, an unexpected benefit of the National Energy Board's electronic registration system has been to encourage greater compatibility of communications technologies and increased information exchange within the entire energy industry.

On how

Many of the case studies provided insights into the critical issue of how to manage service innovation. The dominant theme, in their observations, is that there is no single solution, no single policy or service delivery model that will offer the great leap forward. They counsel throughout the case studies that small steps be taken, that the low fruit be picked, to demonstrate early success and give continued impetus to improvement. They also highlighted the need for senior officials to engage more directly in service delivery issues.

For the many managers who lamented the absence of a guide, the case studies are rich in advice. An important contribution to service improvement would be to ensure that the best practices from among these service initiatives is shared among departments in a systematic way.

Perhaps the best summary of the counsel offered by service managers in these case studies was provided by officials interviewed at Human Resources Development Canada, who proposed the following steps in service innovation initiatives:

- establish a compelling vision to guide the efforts of the many players;
- secure senior management commitment to the process;
- identify potential partners in service delivery;
- invest in the development of a service culture in the organization;
- ensure staff commitment to the process through effective consultation and communication;
- invest heavily in training;
- accept the risk of failure and be prepared to make course adjustments;
- measure your progress; and
- use technology to enable service delivery.

On accountability

In no case, however, did service managers report actual loss of ministerial accountability through service-delivery partnerships. On the contrary, they expressed the view that governments "need not relinquish policy and quality control when they delegate the day-to-day delivery of traditional government services." One case study manager observed that partnerships expand accountability as governments become accountable to their service partners.

Where the services of several government departments are delivered at a single integrated service centre, such as the Canada Business Service Centres, the Winnipeg Social Services Centre and Service New Brunswick, managers counselled that line authority must rest in the service centre, while functional or policy authority remains with policy departments.

Almost unanimously, case study managers noted the importance of meaningful measures, focussed on the outcomes for the client. Performance measures in the public sector have tended to focus on inputs, because the principal objective has been the prudent expenditure of public resources. As well, they underlined the importance of client feedback to service improvement, as well as performance measurement for the purpose of accountability. Several recommended ongoing surveys of client needs and satisfaction with services, a recommendation recently echoed by the Auditor General in his report of Service Quality.

4

Accountability and Service Delivery

Earlier in this report we referred to an example in which a number of departments each had a legitimate role to play in determining the regime under which a new biotechnology product would be marketed. All of these departments and their respective Ministers have specific responsibilities to fulfill under their enabling statutes. From the perspective of the company or individual marketing a product, this process is not easily understood, expensive, time-consuming and frustrating. New arrangements must be found that maintain the accountability of Ministers but allow for more flexibility for departments to enter into service delivery partnerships.

Designing citizen-centred service delivery inevitably leads to issues of accountability. Various structures and techniques have been developed over the years to ensure that those charged with the responsibility of carrying out government functions are held accountable. In constitutional terms, Ministers are responsible to Parliament for all aspects of their department's work. This ensures that for everything done in and by the government, there is a Minister who is responsible for answering in the House. Where problems are raised, Ministers are required to look into the matter, take appropriate corrective action and inform the House. This is fundamental to responsible government.

Rigid interpretations of this chain of command, from Parliament, to Minister, to officials in a department, may lead to fragmented service. In the biotech example, the number of departments involved reflects the complexity of the world we now live in. Policy issues and service delivery no longer fit into neat boxes. Horizontal issues arise more and more often because governments are balancing individual and collective rights.

Traditionally where more than one Minister has a legal responsibility for a part of an issue such as biotechnology, the trade-offs about what policy course to pursue and the checks and balances between departments have been part and parcel of the accountability regime. From the making of the various aspects of the policy through the licencing of the product, the company is forced to deal with each department in turn. Each department owns part of the problem and each can provide part of the solution. If we were to offer the company a single window for service, it would be necessary for departments to deal with their differing perspectives at the policy and program design stage so that service delivery would come through a single outlet. This is what has been done in setting up the new Food Inspection Agency, where the policy accountability is with three Ministers while the service delivery accountability is with one.

Service delivery often involves the conveying of entitlements and privileges to one citizen over another. Such entitlements and privileges include such things as licences or eligibility for pensions. In order to preserve citizens' rights, modern democracies hold Ministers and their officials accountable in a public way for these decisions. All Ministers in our example have to answer for their decisions or those made on their behalf.

To make the improvements to service delivery that are proposed in the citizen-centred model, public servants will need internal horizontal arrangements that will allow Ministers and departments to come to terms with the various aspects of the policies that affect delivery. This will entail a richer and more strategic approach to policy development, program design and delivery.

Cabinet (and its committees) is the primary forum for working out horizontal arrangements. Within the bureaucracy, deputy ministers meet on a regular and an ad hoc basis, and could be a forum for resolving horizontal issues. Below the DM level, the only organized horizontal forum appears to be the Federal Regional Councils. These Councils are composed of the senior federal officials from each of the line departments in each province. Each of these fora consists of members who have individual responsibilities, but they also jointly have responsibility for the efficient functioning across departments.

Issues of accountability are complex and do not lend themselves to simple, error-proof models or solutions that can apply to all circumstances and at all times. We will learn by doing, by adjusting the structures and techniques as new measures are introduced and take root.

In service-delivery accountabilities, objective-setting as well as processes to enable periodic assessments by superiors and Ministers are necessary. Greater delegation of authority to make decisions and be accountable for them should replace detailed control and correction approaches that have long characterized public services. Contractual arrangements that serve to lay down the objectives of the organization and performance expectations to be met based on outcomes will increasingly be employed. We will also see a new emphasis on pre-established, objective criteria against which service delivery activities can be assessed. In turn, new forms of organizing our work will need to be adopted.

Later in this report, we outline a number of measures designed to strengthen both the government's ability to deliver service and to maintain accountability.

We believe that both are possible. The key is to ensure that reform measures never lose sight of the need for an accountability system of parliamentary control and accountability that is not only transparent but also outcome-oriented. We offer a checklist of things to look out for whenever the government is contemplating an arrangement for service delivery other than the one in which the delivery is by the Minister's departmental officials. We also propose new legislative measures to enable the government to deliver services from a citizen-centred perspective, while ensuring that accountability requirements are fully respected.

5

Imagining the Possibilities: Service to Seniors

In order to demonstrate the challenge and the benefits of reinventing service delivery around citizen-centred principles, the Task Force looked at the possibilities of applying these principles to the service to one group of citizens with complicated and identifiable needs—seniors. We wanted to select a group that would receive services from more than one department and from more than one jurisdiction.

Seniors are one easily identifiable group and certainly an increasingly more numerous and important one. The need to address the state of service delivery to seniors is becoming more apparent: the proportion of the Canadian population aged 65 and over increased from 6.7 percent in 1941 to 12.2 percent in 1995. By 2026, this share is expected to almost double to 22 percent.

This growth will overwhelm a service delivery system that is already fragmented, uncoordinated and confusing when examined from the seniors' perspectives or that of their families or caregivers. An increasingly vocal seniors population, with more and more families faced with helping aging parents, has the potential to demand significant change in the existing system.

The complexity and growing urgency of the situation make it apparent that creative and innovative solutions to more effective service need to be found, notwithstanding the multitude of jurisdictions involved. All levels of government, and the private and non-profit sectors, have a role to play. They will have to work together to address the real issue: integrated access to service by and for seniors. The challenge for all the stakeholders is to build this integrated access in a fashion that recognizes, and is tailored to, the needs of individuals during their senior years. It is important to note that a joint federal-provincial working group on seniors has been established under the overall umbrella of "the social union" discussions now underway between the Minister of Human Resources Development Canada and the provincial Ministers of Social Services.

To see the potential benefits of integrated access, one must first understand the situation that exists today.

To begin with, the needs of seniors are complex, and those seniors with the greatest dependency needs provide the greatest challenge in the service equation. The benefits and services offered by governments and others to seniors include:

- entitlement-based programs
  - federal programs such as Old Age Security, Guaranteed Income Supplement, Spouses Allowance, Canada Pension Plan and Veteran Affairs benefits
  - provincial-based programs, including top-ups to federal pensions, social assistance, health care, drug benefit programs, etc.

- programs to assist with activities in daily life in an assisted home-support setting
  - visiting homemakers
  - services of physicians and other health professionals
  - volunteer-based services, e.g. meals on wheels and other specialized community supports
  - housing
  - transportation

- institutional care
  - including hospital, long-term residential care, nursing homes and homes for the aged, and chronic-care facilities

With age, the demand for many of these services increases. For the entitlement programs, the demand does not increase with age. At the same time, the uncoordinated nature of, and lack of integrated access to, these services presents a major source of confusion and frustration to seniors, their families and advocates. From a system-wide perspective, it also results in an inefficient use of resources.

Many improvements have been made over the last few years across the departments and jurisdictions that serve seniors. Technological applications alone have allowed for significant progress. Most of the case studies demonstrate that many departments have mastered doing a single thing really well. However, improvements within the silos do not address the holistic needs of elderly Canadians.

When seniors or their advocates try to access the necessary services to meet their needs, they are confronted with the confusion of a wide range of providers and access requirements. This confusion grows as the senior ages and requires more services. Having efficient responsive public servants across many departments and jurisdictions, each dealing with a discrete piece of the senior's need, does not deal with the real issue of concern to seniors.

Implementation of an integrated system to deal with seniors' needs would require detailed consultation and planning across jurisdictional boundaries as well as among levels of government, para-public, and profit and not-for-profit service providers. Before even designing implementation plans, we need to return to how the policies that serve seniors are made. Were they made in such a way that finds the balance between designing public policy, the public interest and the citizen's viewpoint? Do the systems we have in place support the strengthening of linkages between the policy-making and service-delivery continuum? Are we clustering services from the citizen's perspective or from the policy-maker's perspective? Are these systems flexible enough to allow for continuous improvement based on citizen feedback?

What does the Seniors case teach us?

From the seniors' perspective, the crucial issue is understanding how to access a system that provides effective delivery of needed services.

From the government's perspective, the crucial issue is to design policies and programs that effectively and efficiently meet the needs of seniors in today's fiscal environment.

From the taxpayers' perspective, the crucial issue is to provide the best and most efficient service to an increasingly aging population within an environment of increasing hostility to growing costs and taxation levels.

From the citizens' perspective, it may be possible to deliver service that is more user-friendly, integrated, reliable and efficient without spending a great deal more and without reorganizing every department of government, across every jurisdiction that "owns a piece of the seniors' problem or issue."

The proposed concept of clustering service recognizes the linkages between why policy is made, how programs are designed, and how and by whom they are delivered, while putting the citizen at the centre. It allows for the design and delivery of public policy that is in the public interest through partnerships between different levels of government and service providers.

It also provides for many different delivery possibilities that take into account the needs of seniors, local circumstances, the nature and number of service providers in a community, capacity of the private and non-profit sectors to partner, and the public interest. For example, once all potential partners recognize that policy makers, program designers, service deliverers and seniors should each have input into how service is delivered, a whole new richness of options and possibilities needs to be encouraged.

The listing of all these elements could be organized along community lines, as in the P.E.I. Health and Community Services example, or to correspond to

the stages in a senior's life, or along activities required to keep seniors in a home setting as long as possible. Each of these organizational arrangements would provide a single window for that particular group of seniors—from income support through to how to access institutional levels of care.

What steps need to be taken?

- An examination of existing services has to be made to ensure that the service has a value to the community of citizens it is intended to service.
- Policy, program and delivery staff have to begin to shift their collective attitude outward towards the citizen.
- All potential governmental partners across jurisdictions need to be identified, from policy, to program design, to delivery.
- Those departments that design the policies should not automatically assume they will deliver.
- All potential non-governmental delivery partners need to be identified.
- Clear, understandable and achievable service standards must be set in consultation with the recipients of the service. By inviting citizens to help in the design, we provide them with a voice. This is the classic learning organization. It works from the outside in. There is no silver bullet, no one recipe.

This is the new domain introduced by the Task Force. We can develop some principles here. For example, we know there will be partnerships where we bring the public interest to the table and the community brings the human needs. We expect partnerships with other service providers. We need to strengthen the policy service linkage to inform policy and provide feedback. The challenge is to learn how to work together.

Our examination of the seniors issue also tells us:

- Clustering services around a particular group of individuals is important.
- Perhaps even more important, however, is ensuring effective, uncomplicated access to those services.
- The incentives to restructure service in a comprehensive way are coming from outside the system.
- Complex, multi-jurisdictional delivery systems suffer from a lack of identifiable leadership on the government side.
- It does not require a total reorganization of departments and jurisdictions to make progress.
- Each Minister can retain accountability for his or her part of the whole, but the whole can be restructured with the proper arrangements in place to address the needs of the citizen.

6

Conclusions and Recommendations

Commitment: long-term

Old habits die hard in any large organization, and the federal government is no exception. Government departments and agencies have developed their own culture over many years. Many employees no doubt have become comfortable with this: they know what is expected of them and intuitively how to survive in the organization. Change can never take flight on its own merits—it has to be energized. Champions of change are needed in political circles, in the public service and in the private sector.

There is a consensus in the federal public service that the PS2000 initiative did not live up to expectations. The Task Force does not share this pessimistic view, because we have seen much evidence to suggest that a number of changes have been taking root in the federal public service. For example, there has been some decentralization of authority over financial, administrative and personnel decisions to front-line managers. And, without suggesting that things have changed dramatically on this front, federal public servants are much more conscious of the need for "customer responsiveness" than they were in the past. The Ekos survey, for example, reports that "in several survey items, and in focus groups, we found public servants united in a virtual consensus that service to the public was the essence of their job. This strong service ethic appears to be resilient compared to our 1990 Service to the Public (STP) study." This finding speaks to the beginning of a cultural change in the federal public service. We argue that the Service to the Public study, no doubt in combination with other efforts, contributed to this.

Experiences in other countries suggest that changing the culture of an organization takes time. A slow pace is not confined to government; it is important to note that improving delivery mechanisms does not happen overnight in the private sector either. Private-sector executives informed the Task Force that such changes take years and relentless, continuous energy and commitment.

In view of lessons learned from earlier efforts in Canada, in other countries and in the private sector, the Task Force concludes that it is best to learn from experiments, many of them found in this report. This ongoing process of learning is not something that can be developed into a single blueprint for change, nor is there one model that will solve all our problems.

Indeed, we recognize full well the challenges and inherent difficulties in this area, and urge that all improvement be applauded, highlighted, encouraged, promoted and—above all—*shared*.

We recommend that, once embarked on the road of citizen-centred service delivery, we stick with it over the long term. Measure results, learn from experience, and recognize that change is dependent on learning and that it is continuous.

The Task Force also recommends that the Canadian Centre for Management Development and the Public Service Commission incorporate service delivery into their learning programs. Particular attention should be paid to innovative projects, such as is currently underway in Human Resources Development Canada, so that lessons can be transferred to other departments.

It is well accepted that human resources and human resources development are key to introducing reforms and making them stick. Delivering government services may well require new or different skills. A human resources development strategy will be needed to implement the findings of this report. The strategy should address all facets of personnel management, including staffing criteria, performance evaluations, incentive awards and training and development to ensure that the messages being conveyed value service delivery. **The Task Force recommends that the Treasury Board and Public Service Commission should examine our human resources strategy as it relates to service delivery**.

Changing corporate mechanisms

The Task Force recommends that Deputy Ministers pursue a citizen-centred service-delivery approach. Deputy ministers are responsible for service delivery results. While much has been done to deliver individual services better, the Task Force believes that deputies should adopt a broader focus. To create citizen-centred service, services from a number of departments may need to be combined. The Task Force therefore thinks that we need to construct a mechanism to facilitate the necessary interactions.

During the Program Review exercise, a ministerial committee supported by a DM committee reviewed initiatives being put forward by departments. What was unique in this process was that departments could get ministerial concurrence on initiatives at the idea stage. A number of joint initiatives emerged from this process, perhaps because there was a forum for both discussion and decision.

During the Program Review, two forces came together to encourage change. One was severe budget cuts that led in some cases to a search for radically new ways of operating. The second was a chance to get from Ministers an approval in principle that blessed the initiative without preparing lengthy Cabinet documents. The Task Force searched for ways to duplicate at least some elements of the Program Review process as a mechanism for change.

The Task Force recommends that the Secretary to the Treasury Board name a committee of deputies to be chaired by a line deputy and to serve as a subcommittee to TBSAC. The model of TIMS comes to mind where the champion is a line deputy and because we are impressed with the progress this group has made on the use of information technology. One task of the Service Delivery Deputies Committee (SDDC) would be to review service delivery plans from departments. Departments are now required to include a three- to five-year strategy outlining specific actions for improving the level of client satisfaction and the quality of service delivery as part of their business plans. **The Task Force recommends that special emphasis be placed on service delivery plans that can be clustered for the convenience of citizens and that the SDDC look particularly for these opportunities and that the subcommittee report regularly to TBSAC on its activities**.

The role of the SDDC would also be to identify impediments to implementing service delivery initiatives and to recommend actions. It would also look for new and innovative ideas and encourage serious exploration of them. The group could receive ideas from many sources, including the Federal Regional Councils.

The best place to look for ideas about ways to improve our service delivery is to talk to the people who use our services. Those best placed to do that are our employees, who meet users on a daily basis. These employees generally live and work outside of Ottawa.

In recent years, Federal Regional Councils have been meeting to share common management concerns and more recently to look for efficiencies by sharing common services. These Councils offer a forum that could be helpful.

It is also important that ideas and best practices be shared across the country. Much can be done using the Internet, but face-to-face meetings should also be encouraged. Heads of Federal Regional Councils should therefore be brought together to share concerns and ideas, and to meet with the SDDC.

The President of the Treasury Board has already indicated a commitment to service delivery. The Treasury Board Secretariat (TBS) has set up a unit to address alternative service-delivery proposals. We suggest that this group also act as secretariat to the new DMs' committee.

Changing the rules

Whenever the federal government is contemplating an arrangement for service delivery other than the one in which the delivery is by the Minister's departmental officials, a number of questions arise:

- Does the arrangement achieve the goals of the legislation with respect to which it is made? Are the persons who will carry out the tasks under the arrangement properly qualified, trained, etc. to do so? Is proper provision made for the monitoring and control of their work?

- Does the arrangement achieve the goals of other federal legislation and policies that are relevant? Examples include the *Official Languages Act*, the *Privacy Act* and the *Access to Information Act*.

- Is information on the arrangement readily available?
  - Was there adequate consultation with affected publics before the arrangement was put in place?
  - Is there transparency in the arrangement; i.e. are the arrangement and essential facts concerning its operation on the public record in a way that is accessible to the public?
  - Is information on the arrangement provided to Parliament at the time that it is put in place (e.g. tabling in the House of Commons) and periodically thereafter (e.g. dealt with in the department's annual report)?

- Who will be accountable for the arrangements and their operations?

The above checklist will assist in pursuing service-delivery options within existing legislative and accountability regimes. In some cases it will not be possible to construct new partnerships to deliver services without legislative changes.

In most departments, discretionary authority (i.e. decision-making affecting the rights or interests of citizens) conferred by statute on a Minister can only be exercised by the Minister or an official in the Minister's department. People outside the Minister's department (whether other federal public servants, provincial public servants or people in the private sector) cannot exercise discretionary authority or powers conferred by Parliament on the Minister, unless it is expressly provided for in the Statute. This authority and

these powers must be exercised by people coming under the management and direction of the Minister.

While the form of legislation is a matter for the Department of Justice to consider, two broad approaches concerning the exercise of discretionary authority are possible.

A. Statute adjustment

Statutory provisions regarding delegation of ministerial authority, the designation of non-departmental officials to exercise ministerial authority and powers, and the making of cross-departmental, cross-jurisdictional or horizontal arrangements have in the past been adopted in an ad hoc manner, presumably in response to specific issues and opportunities arising when legislative proposals were under consideration. Some Acts (e.g. Section 7 of the old *Department of Supply and Services Act* and the new *Human Resources Development Act*) allow for the kind of delegation and partnerships the Task Force envisions. This ad hoc approach might well be continued, recognizing that some worthwhile citizen-centred initiatives might have to wait for Parliamentary consideration and approval of the required statutory instrument.

B. New legislation

The second approach would be a bill to create a separate statute of general application that would confer on the government the authority to enter into memoranda of understanding to provide the five combinations of service delivery activities considered by the Task Force; that is, by:

- officials from more than one federal department;
- federal-provincial-municipal officials;
- federal officials and the private sector;
- provincial officials; and
- the private sector, either not-for-profit or commercial.

The *Public Service Rearrangement and Transfer of Duties Act* is probably the closest federal precedent on this front.

To achieve the same end, Section 24(2) of the *Interpretation Act*, "Powers to Act for Ministers," could be changed to permit delegation to a broader category of individuals specifically outside a Minister's department.

One additional legislative arrangement to consider is the creation of federal-provincial service delivery corporations. Such corporations could be set up either under existing corporate laws (*Canada Business Corporations Act* or similar provincial Acts, if they are to be "for profit") or under special legislation with each level of government holding shares in the company. They could also be set up under new specific federal and provincial legislation that would spell out in a transparent way the operating principles. The benefit of creating "neutral" corporate entities is that they could deliver services on behalf of several stakeholder departments. This would allow for experimentation, as each department would put in activities as it saw fit. There would be a contractual agreement between the various departments and the corporation to deliver specific services. Such corporations could pool expertise, personnel, research and development, and other appropriate resources.

The Task Force recommends that the SDDC examine the options that would allow for increased service delivery flexibility, including legislative measures, contractual arrangements, and federal/provincial service delivery corporations.

C. Non-legislative measures

There are also some non-legislative measures the government can take to increase its capacity to offer citizen-centred service in a way that is consistent with the requirements of ministerial accountability.

Like the checklist for the delegation of service delivery discussed above, a "service delivery contract" could be developed that would provide the framework for defining the precise roles and responsibilities of the parties to the contract.

In order to set out the terms of the contract, we would be required to focus on the service outputs—to establish specific delivery targets and service standards. The contracting process would tend to discipline our efforts in performance measurement and force us to design measurement systems and reporting requirements from the outset, as these would necessarily be the subject of negotiation between the parties to the contract. The process would require written service plans, which the survey has observed can make a positive contribution not only to service quality, but also to staff morale. In turn, written service plans would make more obvious the need for common service procedures and training. At the same time, service delivery contracts would provide clarity as regards accountabilities.

Changing attitudes and culture

Like the checklist, the service-delivery contract alone will not result in improved service. We must also provide solid foundations for the service. Perhaps the most important building block is the publication of performance results. The survey data provides compelling evidence that public servants view service as their highest priority and that they take personal reward in doing a good job. Our research has found evidence, through approaches as elaborate as the Citizens' Charters of Great Britain or as simple as posting performance comparisons on the wall, that publishing performance measures results in better performance.

Concern has been expressed by public-sector managers regarding the issue of liability in service delivery partnerships. While recent reviews of jurisprudence in Crown liability have defused some of the concern, the public sector still maintains an excessively rigid and risk-averse policy in respect of service contracts. As noted by the study by Partnering and Procurement Inc., "The Crown's insistence on unlimited liability is an illustrative example of process taking precedent over operational reality in current contracting."

The Task Force recognizes the importance of new information technology in the delivery of government services, as well as the excellent work being carried out under the TIMS leadership. Information technology has a vital role to play in promoting the integration of government services. It can be particularly important for rural and remote areas, where it could, under one roof, provide access to Canadians for a host of government services. **The Task Force recommends that the SDDC should work closely with TIMS to support initiatives already underway and to identify new ones that can benefit from new technologies**.

The Task Force has seen many examples of excellent collaboration between government departments and private firms. In the past, private-sector technology firms came forward with unsolicited proposals to develop a particular area. Some of these proposals have made important contributions to improving government operations and the delivery of services. Firms are increasingly reluctant, however, to come forward with unsolicited proposals because government departments must invite several firms to bid on large projects. As a result, there is a view, strongly held in some quarters, that the federal government is losing important opportunities to use technology to improve the delivery of its services. Accordingly, the responsible departments (PWGSC and Treasury Board) should review existing contracting arrangements to see if there is a way to retain the competitive concept while respecting the value of ideas.

The Task Force recommends that Treasury Board, as part of its ASD initiative and together with PWGSC, should collaborate with industry and public policy bodies to develop models and test them with a view to introducing a new contracting/partnership framework.

Finally, the Task Force would caution that, while the processes we have proposed to enhance the accountability and effectiveness of service delivery will tend to result in greater precision in these arrangements, we should not let the need for greater clarity impose a rigid structure on service managers. We do not subscribe to a "silver bullet" theory of change in government operations; that is, we do not believe that there is one answer out there that will result in citizen-centred service. As observed by David Zussman and David Wright in their report to the Task Force, "a key lesson ... is that solutions developed in one context are not directly transportable to another context." One size does not fit all, and the tools proposed are intended to be applied with flexibility by individual departments and public servants to meet the unique demands of the citizens. Not all citizens' needs are the same. We have to be flexible to meet local needs.

The Task Force realizes that concerns over "turf" have in the past inhibited innovations in the delivery of government services. **The Task Force endorses the recommendations of the Task Force on Horizontal Issues.**

The Task Force on Service Delivery Models observed that in all the cases it studied, whether they were successes or failures, the fundamental issue was related to the attitudes and culture that we endorse and reward. Citizen-centred service delivery will require attitude and culture change that must be led by Deputy Ministers.