

Regional Service Reviews: An Introduction



BRITISH
COLUMBIA

The Best Place on Earth

A stylized, monochromatic illustration of a city street scene. In the center, a bus labeled 'No. 14' is driving towards the viewer. To the left is a tall, multi-story building with several windows. To the right is a smaller, single-story house with a chimney and a door. The background features stylized clouds and trees. The entire scene is rendered in shades of brown and tan.

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Regional Service Reviews: An Introduction



Regional districts have undertaken informal reviews of regional service arrangements since the 1960's. However, amendments to the

Local Government Act proclaimed in June 2000 created a formal process to help regional districts and their service partners review the terms and conditions of existing service arrangements. There is also a process for partners wanting to withdraw from a limited number of services. As well, the *Act* gives regional districts the authority and flexibility to include their own review processes within a service establishment bylaw. As a back-up measure, the legislation also presents a default process in case customized alternatives are not specified in service arrangements.

This booklet highlights the service review process for regional district board members and municipal council members. A second booklet, entitled *Designing Regional Service Arrangements: An Introduction* covers the topic of establishing service arrangements. For further details on service arrangements and service review, see the *Guide to Regional Service Arrangements and Service Reviews*.

This document can be found at www.cserv.gov.bc.ca/lgd on the Internet. Legislation authorizing service reviews is contained in Division 4.5 of Part 24 of the *Local Government Act*.

Overview

Traditionally, regional boards have been reluctant to undertake service reviews for many reasons, such as the cost of the process or the lack of a guaranteed outcome. However, service reviews can benefit all partners in situations where:

- partners have a tense relationship and need a chance to explain and resolve their frustrations;
- partners need information about a service and its implications to relieve tensions; and
- withdrawal is impossible, but a review allows partners to raise, and seek to resolve, concerns.

Service reviews should be considered when:

- the partners' shared vision changes;
- the service changes in scope and no longer fits the original vision;
- local conditions change; or
- scheduled by advance agreement in service establishment bylaws.

Types of Service Reviews

Regional districts have three options for undertaking a service review:

Informal Review

- independent of the Act's review provisions
- proactive, customized review process designed by partners
- can be started at any time by regional district
- does not tie-in to service withdrawal

Bylaw-based Review

- proactive, customized review process designed by partners
- included in establishment bylaw
- supersedes statutory review once adopted

- can be started if no review has taken place in past three years
- may tie-in to service withdrawal

Statutory Review

- default option
- applies unless bylaw specifies an alternative
- participant must be in service at least five years (or shorter timeframe outlined in bylaw)
- can be started if no review has taken place in past three years
- bylaw does not include alternative process
- may tie-in to service withdrawal

Choosing a review option for a regional district service depends on the desired outcomes.

Review Method

Informal Review

- least formal option
- encourages partners to design fair and effective processes for resolving differences before problems arise
- freedom from statutory timelines
- able to address all service-related questions, including new partners
- allows stakeholder participation
- do not expect withdrawal
- no tie-in to service withdrawal provisions

Bylaw-based Review

- level of formality is local choice
- encourages partners to design fair and effective processes for resolving differences before problems arise
- freedom from statutory timelines
- able to address all service-related questions, including new partners
- allows stakeholder participation
- tie-in to service withdrawal provisions

Statutory Review

- most formal option
- increases profile of issue
- default timelines speeds review process
- want to use services of ministry-appointed facilitator
- tie-in to service withdrawal provisions

Interest-based Negotiation

Interest-based negotiation offers opportunities to address different values, priorities and goals of each partner and allows partners to reach an agreement on a sustainable service arrangement. This also helps service partners to build effective, long-term relationships that encourage future cooperation and coordination. Instead of winners and losers, everybody wins.

The Service Review Process

Most regional districts will find the flexibility offered by bylaw-based and informal service reviews attractive because they allow opportunities to fine-tune and improve services in a proactive manner. However, if regional districts choose not to develop customized service reviews, service participants can always rely on default service reviews as described in the *Local Government Act*. No matter which service review method is chosen, the overall review process is similar for each.

In all cases, every service review is a joint undertaking of the regional district and its members. It should involve representatives of every municipality and electoral area in the service at all stages and in all discussions. A review body, such as a steering committee, should be established for an informal or bylaw-based review. A defined review body is an element of a statutory review.

As they work together to review a service, partners will find they are most successful if they use an 'interest-based' approach that goes beyond positions and explores the underlying interests of everyone at the table so that they share gains through discussion, negotiation and mutual agreement.

Starting the Review Process

Informal and bylaw-based reviews begin at the regional district board level. In either type of review, the board can decide what to review and can add new services to the review at any time. Because these types of service reviews are initiated at the board level, no formal or written notice is required.

Review Participants

All parties must identify who will represent them in a review.

The regional district board undertakes both an informal and bylaw-based review. The board may choose to set up a steering committee to take responsibility for the review process. If the establishing bylaw provides for a specific review body, this provision must be followed.

In a statutory review, a regional board would appoint a director or the chair as its representative. A municipal council would appoint a mayor or councillor. The director of an electoral area would automatically be the representative for the area. These representatives would make up the review body.

Statutory reviews can be initiated by a municipal council or electoral area director. To do this, the service partner must provide written notice to the regional district board, all other participants and the Minister of Community Services. The notice must include, a description of the existing terms and conditions of the service arrangement the participant finds unacceptable, the reasons the review is required and the actions taken to resolve the issue. A separate notice is required for each service or group of services combined within an establishment bylaw. Statutory service reviews are undertaken only if the establishment bylaw does not include an alternative review process.

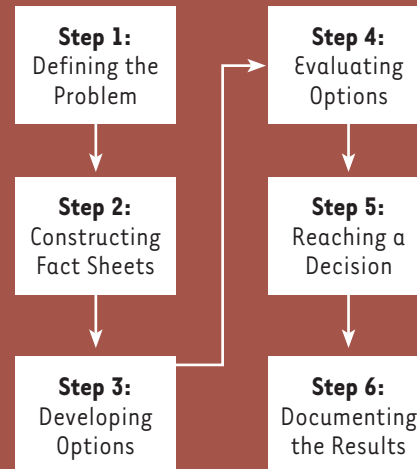
Setting up the Review Process

For any type of service review, a review body should:

- approve the scope of the review and the steps to be followed;
- define the problem(s) to be addressed;
- provide input as required;
- approve the options to be considered;
- identify the evaluation criteria to be used;
- make reasonable efforts to reach an agreement; and
- submit recommendations to the board.

It is helpful for the review process to be supported by a working group of senior staff from the regional district and member municipalities who provide information

Suggested Process for Regional Service Review



and ensure the process and timelines are respected. Consultants or other experts may also be hired to provide additional capacity.

Steps in the Review Process

Whether the service review is informal, bylaw-based or the default statutory option, there are six key steps in a review process.

Preliminary Meeting

Preliminary meetings are used to:

- clarify the issues;
- determine the full scope of the review (number of services, problems and issues related to services);
- identify each participant's interests; and
- agree to a negotiation process.

Preliminary meetings are not required for informal or bylaw-based reviews, but are usually good practice. Under a statutory review, a preliminary meeting must be held within 120 days of notice of a service review.

1. Defining the Problem

In its first step, the review body should:

- decide what services are to be included in the review;
- decide what issues the review will address; and
- identify the full range of concerns and perspectives.

Regardless of the review process chosen, there are no limits to the number of services that can be reviewed. There are also no limits to the number of services that can be reviewed within a single process. For informal and bylaw-based reviews, the board determines these matters. In the case of statutory reviews, the review notice establishes the initial scope of the review. For these default

reviews, separate notices of each service to be reviewed must be provided. Once a review has been initiated, all service partners must agree to add additional services to the review process before this can be done.

2. Constructing Fact Sheets

For each service under review, a common understanding of the status quo for each service should be established and summarized in a fact sheet. Fact sheets should include the service arrangement's definition, cost and control elements, as well as relevant contextual information and a summary of the different perspectives held on key issues. Because fact sheets also serve as an educational tool, their existence often resolves tensions and misunderstandings.

Timeframes

There are no deadlines for starting or completing an informal review. Bylaw-based reviews have time limits only if these have been included in the establishing bylaw.

Under statutory service reviews, negotiations must begin within 60 days of the preliminary meeting. There is no time limit for completing these negotiations.

3. Developing Options

In this step, options need to be developed for responding to key problems. Ideally, three to five options, including the status quo, should be developed. The options should reflect radically different approaches to resolving a problem so that they do more than merely vary a theme. In later stages, minor variations could be considered during a fine-tuning process. Once developed, the options and their implications should be described clearly to ensure they are well understood. It is also helpful to identify and explain the assumptions used to develop these options.

4. Evaluating Options

The objective of the formal evaluation is to provide an understanding of the implications of change associated with each option. Using a formal evaluation, options can be measured against a common set of criteria reflecting the values and interests of the parties involved. These criteria should be defined as precisely as possible, but need not be ranked, because the purpose of the criteria is to guide discussions of the options, rather than make a decision about the best choice. Possible criteria include: certainty; equity in governance; equity in financing; cost-effectiveness; simplicity/visibility; and, stability/predictability.

Using a Facilitator

At any time during a statutory review, a participant can request that the minister appoint a facilitator to assist participants to reach an agreement. Facilitators can be particularly helpful when communication between parties is poor or if there is tension between parties. The facilitator can:

- facilitate preliminary meetings;
- assist parties to establish a negotiation process;
- facilitate negotiations;
- assist in dispute resolution; and
- assist in setting up other dispute resolution processes.

The ministry pays the costs for the facilitator. Facilitators are not available for informal or bylaw-based reviews.

5. Reaching a Decision

Members of a review body must decide which option best matches the interests of their jurisdictions. The best option will most closely match the shared interests of all service partners. At this stage, options may be refined to adapt them to specific concerns. As well, the parties may choose to design packages of options that cut across services and accommodate many concerns to achieve the overall common interest.

6. Documenting the Results

After final agreement has been reached, the review body should document its options and decisions so that the review process and its outcomes can be explained to future decision-makers and the public. Amendment bylaws may be required to proceed with implementing service changes. Other documentation, such as memorandums of understanding, are also helpful for recording the shared intentions of the participants.

If a final agreement cannot be reached, documentation can provide lessons for the future by identifying the barriers that participants could not overcome.

A final report on the review process should also be included in the documentation package. This report should include:

- description of the review process;
- definitions of the problems addressed;
- fact sheets for each service;
- description of the options;
- outline of the evaluation criteria;
- results of the evaluation;
- description of the agreement reached; and
- summaries of discussions at facilitated meetings.

Review Costs

Two kinds of costs are associated with a service review:

- costs of running the process; and
- costs for each member's participation in the review.

In all types of service review, the process costs for joint reports, administrative expenses and experts' fees are borne by the regional district as part of the service cost.

The participation expenses of the reviewing body, including travel, staff and independent reports, are borne by the regional district as part of service costs in informal reviews. For bylaw-based reviews, these participation costs are borne by the regional district unless otherwise defined in the bylaw. Under the statutory option, participation costs are the responsibility of each electoral area or municipality participating in the review.

Requirements Unique to the Statutory Review Option

The statutory review option has some unique requirements. Summarizing them here, they include:

- Any participant in a service may start a service review.
- Parties to the review are the initiating participant and all other service partners, in addition to the regional board.
- A facilitator may be appointed by the minister if requested by the service review participants.
- A preliminary meeting must be held within 120 days of the initiation of the review.
- Negotiations must begin within 60 days after the preliminary meeting.
- Cost-sharing arrangements are defined.

Conclusion

Service reviews are a normal part of all service arrangements and will help regional districts and municipalities as they refine their service delivery, provide information on services, and ease any existing tensions over service delivery. Customized service review options can be easily designed as part of new service establishment bylaws, although existing bylaws may need to be amended. In either case, service participants can always fall back on the default option if they choose. In most cases, the review process can be simplified further if regional districts develop a standardized review process for all service arrangements.

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