

Baseline Readiness Assessment

OF CLS DEVOLUTION

FINAL REPORT

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EXECUTIVE SUMMARY

BACKGROUND

The Ministry of Children and Family Development ("MCFD"), the Transition Steering Committee ("TSC"), and the Interim Authority for Community Living BC ("IA") have been working for two years towards the devolution of community living services from the Ministry to a community-based Authority known as Community Living BC ("CLBC").

Legislation to enable CLBC had been scheduled for the spring 2003 and at the time the letter of instruction was issued, implementation had been planned for the fall of 2003. However, legislation was put on hold and the Ministry's attention to governance readiness was turned to budget planning and service transformation, while the IA continued to build on its planning towards readiness.

In August 2003, the Deputy Minister of MCFD asked the SAGE Management Group to consider all aspects of moving to a new governance model for services to children with special needs, adults with developmental disabilities, their families and support networks. In its report to the Minister, SAGE noted that there were still a number of key components of devolution that needed to be addressed and, therefore, recommended that a panel be appointed to conduct an independent external readiness assessment for the proposed devolution of community living services by June 2004.

Project Objectives and Scope

The Panel - Vince Collins (Chair), Bert Boyd and Arlene Gladstone (see the biographies in Appendix 2) - undertook an objective assessment of readiness defined by the following six elements:

- Operational readiness criteria;
- Service transformation;
- Budget stability and sustainability;
- A service delivery plan;
- A high-level of trust among the parties; and
- A transition/implementation plan.

In addition, the Panel was asked to:

- Assess if the current work is acceptable;
- Identify weakness or gaps that need to be addressed prior to the transfer;
- Identify what elements of the readiness criteria can wait to be completed once the new governance arrangement is implemented;
- Identify a realistic timeline for completion, and report on the extent to which a transfer of responsibility of adult and children's services in June 2004 is achievable; and
- If the June 2004 date is not achievable, make recommendations that may ensure an effective transition.

The Panel conducted its assessment over a six-week period in late 2003. It reviewed background reports and attended briefings led by Ministry and IA executives to determine the parties' understanding about the essence of the new relationship between the Ministry and CLBC. Throughout its assessment, the Panel endeavored to ensure that its review was being done in an open and inclusive manner, and, therefore, conducted a number of joint sessions with the Ministry and Interim Authority to review its findings and obtain further information. This report documents the Panel's assessment, supporting conclusions and recommendations on the readiness of the Interim Authority.

Recommendations of the Panel

The Panel acknowledges the work that has been done and notes throughout this document those areas where planning for devolution is complete or virtually complete. The Panel has made 15 recommendations in total. These recommendations focus primarily upon the unresolved issues necessary to enable a permanent Authority to open its doors June 2004.

In assessing the challenges, the Panel has concluded that the only way devolution of services can be accomplished successfully by June 2004 is if the parties resolve three key outstanding issues by January 31, 2004, and implement a comprehensive project management plan, managed by a dedicated project team, that addresses a number of actions that must be completed within the next five-six months.

The three key issues that must be resolved by the Ministry and Interim Authority by January 31, 2004, are:

1. Development of an Accountability Framework that is accepted by both parties, and development of a draft performance agreement;
2. Resolution by the parties of the implementation of the service delivery model to be used; and
3. Resolution by the parties of the issues surrounding the transfer of services for children with special needs.

If these issues are not resolved by January 31st, the Panel recommends that the date for devolution be automatically deferred beyond June 2004.

The Panel is also of the view that failure to appoint an interim CEO and to initiate immediately the recruiting process for the permanent CEO and the senior management team and to appoint the permanent Board members by January 31, 2004, will significantly reduce the probability of a successful devolution on June 1, 2004. It is essential that the permanent Board members be in place as quickly as possible to provide them the opportunity to review the proposed budget and service delivery model and the proposed performance agreement, and to select the permanent CEO and become involved in the establishment of the permanent management team.

In addition to addressing the three key issues noted above, the parties must immediately implement a co-ordinated project management framework that will ensure the many tasks still to be completed will be done by next June. These tasks, many of which are identified in recommendations contained within this report or have already been identified by the parties, are so critical to success that the Panel is recommending that their state of readiness be reviewed through a further independent assessment at March 31, 2004. If it is found that these tasks are not tracking to successful completion by June, the Panel again recommends that the devolution of services be deferred beyond June 2004.

PROJECT OVERVIEW

Background

Over the past two years, the Ministry of Children and Family Development, the Transition Steering Committee, and the Interim Authority for Community Living BC have been working towards devolution of community living services from the Ministry to a community-based authority known as Community Living BC. Thousands of hours have gone into the effort to-date, both by these entities and by volunteers who are committed to transforming community living service delivery for children with special needs, adults with developmental disabilities and their families and support networks.

Legislation to enable CLBC had been scheduled for the spring 2003 and at the time the letter of instruction was issued, implementation had been planned for the fall of 2003. However, legislation was put on hold and the Ministry's attention to governance readiness was turned to budget planning and service transformation, while the IA continued to build on its planning towards readiness.

In August 2003, the Deputy Minister of MCFD asked the SAGE Management Group to consider all aspects of moving to a new governance model for services to children, families and adults with developmental disabilities. The study resulted in a number of recommendations directly related to community living services that, if implemented, would help both the IA and the Ministry move towards operational readiness. SAGE also recommended that a three-member panel of experts be appointed to assess readiness on the key elements of readiness. Accordingly, the Deputy Minister of MCFD engaged a panel of experts, consisting of Vince Collins (Chair), Bert Boyd and Arlene Gladstone, to conduct an independent external readiness assessment.

Project Objectives and Scope

The panel of experts was asked to undertake an objective assessment of readiness for the devolution of community living services towards a proposed June 2004 date.

Readiness is here defined by six elements:

- Operational readiness criteria, as outlined by KPMG, are followed;
- Service transformation must be successfully underway;
- Budget stability and sustainability must be achieved;
- A service delivery plan must ensure that service will be efficiently delivered as of Day One;
- A high-level of trust must be established among the parties involved in new governance; and
- A transition/implementation plan must be in place.

In addition to documenting progress on readiness elements, the Panel was asked to:

- Assess if the current work is acceptable;
- Identify weaknesses or gaps that need to be addressed prior to the transfer;
- Identify what elements of the readiness criteria can wait to be completed once the new governance arrangement is implemented;

- Identify what timeline is realistic for completion of the remaining elements, and specifically report on the extent to which a transfer of responsibility of adult and children's services in June 2004 is achievable;
- If, in the Panel's opinion, the June 2004 is not achievable in part or in whole, make recommendations regarding timelines and strategies for both the Ministry and the Interim Authority that may expedite and ensure an effective transition.
- Identify the key learnings from this assessment to inform the future development of the Children and Family Development and Aboriginal Authorities.

The Panel conducted its assessment over a six-week period in late 2003. Just as important as the activities and steps involved was the open way in which the assessment was conducted. The IA and the Ministry were both asked to attend every meeting, every debriefing and report-out session. Information that the Panel received via e-mail or discussions held with the IA Chair, the DM or the Minister was shared. This report documents the Panel's assessment, supporting conclusions and recommendations on the readiness of the Interim Authority and the Ministry.

As a further detailed assessment of readiness elements will be required closer to the transfer date, this assessment is primarily intended to provide advice and recommendations on the achievement of the June 2004 date, as well as on the proactive steps required of the Ministry and the Interim Authority to move forward to devolution.

APPROACH

The approach taken to completing the assessment included a number of tasks as outlined below.

1. The Panel reviewed relevant background reports and attended briefing sessions led by Ministry and IA executives.
2. An initial meeting was held with both the Ministry and the IA to determine the parties' respective understanding and readiness in regard to what the Panel considers to be the essence of the new relationship between the Ministry and CLBC.
3. The Panel met with the Minister responsible, the Hon. Gordon Hogg, in order to learn first hand of Government's objectives and potential concerns in regard to the devolution of Community Living Services
4. The Panel developed a two-level process for assessment. The first level examined the readiness criteria that the Panel considers to be of the utmost importance in preparation for a successful commencement of operations by June 2004. These are:
 - Service Delivery and Service Transformation;
 - Financial Management; and
 - Governance and Accountability.

These readiness criteria have been selected from the criteria outlined by KPMG and from those appended to Minister Hogg's letter of March 31, 2003, to the Chair of the Interim Authority.

5. The second level, also from the KPMG readiness criteria, covers:
 - Board and Executive Leadership
 - Planning – Children's Services and Adult Services
 - Financial Management
 - Performance Management and Quality Assurance
 - Contract Management
 - Stakeholder Relations and Public Relations
 - Risk Management
 - Legislation
 - Human Resources
 - Information Management
6. The Panel then examined the transition/implementation plan that will devolve the operation and management of Community Living Services from the Ministry to the new Authority.
7. Initial findings were reported at a meeting on December 9, 2003, with the IA and the Ministry.
8. The Panel submitted its final report on December 19, 2003.

THE CHANGING LANDSCAPE (CONTEXT)

The Panel was impressed by the degree to which the Ministry and the Interim Authority have a shared vision for a community living model: innovation and choice for individuals with developmental disabilities, children with special needs and their families, supported by a transformed service delivery model under authority governance structure. The Panel was also impressed with the enormous effort that has been expended to-date by both Ministry staff and those people assigned to work on behalf of the Interim Authority. The work accomplished to-date will greatly assist the Government to achieve its objective of devolving these services.

During the assessment, the Panel was struck by the degree of change and instability that has surrounded and continues to influence this important initiative. Specific observations included the following:

- There has been a lack of a dedicated project team with members from both the Ministry and IA and a co-ordinated project management plan during the process of devolution of Community Living Services.
- Some of the Ministry representatives who were instrumental in seeing through much of the work toward devolution are no longer engaged and a new group of Ministry executives are now giving guidance.
- The Ministry has understandably been pre-occupied with its own internal organizational changes, downsizing and planning for next year's budget reductions and, as a result, has not continuously focused on the devolution of CLS.
- The Authority's Board of Directors is in flux, and the search for a permanent CEO has not yet begun. The new Board will require time to review the budget, service plan and service delivery model, the performance agreement, bylaws, and policies, and may wish to make changes.

The uncertainty and instability caused by these factors has undoubtedly had a significant impact on the current state of readiness. Therefore, the Panel recognizes that these issues must be immediately addressed if devolution is to be successful, and hence has made specific recommendations concerning these matters in this report.

ANALYSIS OF THE CURRENT SITUATION

This section of the report summarizes the key themes that emerged during the study and provides the Panel's assessment of the major strengths and challenges to be addressed in each area of readiness.

Ministry and IA Vision for the New Organization

One dimension that was fundamental to the Panel's assessment of readiness was the degree to which the Ministry and the Interim Authority have a common and shared vision for the community living model of the future.

In the Panel's discussions, over the past six weeks, it has become evident that the two parties, while sometimes disagreeing on specific issues, always have the same goal in mind – a transformed service delivery model under a community-based Authority governance structure. Through this vehicle, the parties are attempting to shift more of the focus of decision-making and accountability for the well-being of children with special needs and adults with developmental disabilities to the families and the local communities in which they live. The Panel felt that the parties showed this through:

- The strength of commitment of the Minister as expressed in his briefing of the Panel on his objectives in moving to this new governance and service delivery model;
- Documents that the parties submitted and presentations that they made; and
- The strongly expressed desire to be operational by June 2004.

Accountability Readiness

Accountability Framework
Legislation
Board and Executive Leadership
Stakeholder Relationships
Information Management

One of the fundamental components for successful devolution of services to the Authority is the establishment of an effective accountability and governance structure that clearly delineates expectations, roles and responsibilities, performance management requirements and desired working relationships between the parties. Key components of accountability and governance include the development of an Accountability Framework, the enactment of required legislation, the establishment of effective Board and Executive Leadership, and the introduction of meaningful stakeholder relationships. Of equal importance is the development or existence of an information management system that can provide the necessary information to support the required accountability and governance framework.

The Panel prepared the following readiness questions for the Ministry and the IA:

➤ Accountability Framework

- Do the Ministry and IA have a clear understanding on the nature of the Accountability Framework within a public sector context, and the type and structure of the expected governance model?
- Have the roles and responsibilities of the new Authority and the Ministry been clearly identified and is there an accountability framework that documents the agreed upon decisions?

- Are the roles and responsibilities appropriate to the parties, i.e. is it clear when the Ministry takes the lead or when the Authority has the lead?
 - Do the parties understand the nature of the working relationship that will be necessary to operate under an accountability framework?
 - Has a comprehensive performance management system been developed that will allow the Ministry to effectively assess how the Authority is meeting its expected outcomes?
- **Legislation**
- Has the process been finalized to redraft the legislation in a timely manner to reflect the accepted recommendations in the SAGE report and to ensure the legislation proceeds expeditiously through the Legislature to allow for the projected June 2004 implementation date
- **Board and Executive Leadership**
- Is the governance structure and composition clear and agreed upon?
 - Will the timing of new Board and Executive appointments provide new appointees sufficient time to understand their accountabilities and be effective by June 2004?
- **Stakeholder Relationships**
- Are appropriate channels in place for stakeholders and communities to influence the decision-making process?
- **Information Management**
- Are there systems in place that will help the Authority effectively manage its operation? Will those systems enable the Ministry to receive the information it needs to ensure goals are being met?

Based on the parties' responses to these questions, the Panel has made the following observations:

Accountability Framework

Strengths:

- Both parties have given considerable thought to accountability requirements and both have developed draft accountability frameworks.
- During the course of the Panel's assessment, the IA and the Ministry have discussed the Accountability Framework requirements and, as documented in their Level 2 response, have a clear appreciation of the key elements to include in the Accountability Framework.
- Both parties understand the need for a well-thought-out Accountability Framework and its importance to the ongoing relationship between the Ministry and the Authority.
- The IA and the Ministry understand that together they must discuss and agree upon all elements within the framework.

- The IA and the Ministry agree that the Ministry drives the establishment of standards and the performance management process.
- The IA and the Ministry understand that the Accountability Framework is a living document that must be shared broadly within their organizations; that it guides their relationships with each other; that it is to be used with other arms of government and with stakeholders; and that it is a reference document in many situations.
- The IA and the Ministry both recognize that the accountabilities must be revisited and revised as appropriate.
- Time has been allotted in the implementation plan for completing the Accountability Framework.

Challenges:

- An Accountability Framework was drafted by the Ministry before the mid-term review and the SAGE study. It needs to be thoroughly reviewed by both parties and updated to reflect the current understanding of their relationship.
- The Accountability Framework must be completed at a practical and detailed level.
- The Accountability Framework and its operational implications must be understood by both parties, as well as by stakeholders.
- The IA must ensure that internal Authority roles and responsibilities be aligned to agreed-upon accountabilities as stated in the framework.
- There is a need to reassess the proposed use of a 'delegated governance' structure as identified in the Interim Authority's proposed Bylaw No. 3 to ensure it fits within the overall Accountability Framework.
 - While the IA and the Ministry understand "delegated governance" to offer communities narrow and limited powers, the Panel is concerned that the term "delegated governance" and the nomenclature "Community Development Governance Boards" may be construed to mean more than the opportunity to provide comments and advice. By using the term with respect to community involvement, the Ministry and the IA could create expectations that they will be unable to honour.
 - There needs to be a clear determination of how communities will have input directly to the Board in the future model.
- The proposed role and accountabilities of the Planning Commission, as identified in Bylaw No. 2, needs to be clarified.
 - The Panel found it difficult to follow the Planning Commission's accountability and authority vis-à-vis the Minister, the Authority Board, the Authority CEO and Authority executives. The path is complex and will inevitably lead to questions about roles and relationships in the future.
 - By separating planning from decision-making, the Planning Commission may create expectations with individuals and their families that will be difficult for the Authority to meet and may result in credibility issues for both the Authority and the government.

Legislation

Strengths:

- Draft legislation to enable the creation of CLBC is in place.
- Revisions are underway to re-draft the legislation to incorporate approved SAGE recommendations.

Challenges:

- Revisions to the draft legislation are not complete and are dependent on settling some important details (e.g. Board composition).
- The timeframe for redrafting the legislation, securing approval and passage through the Legislature is very constrained.
- The passage of legislation by government is not a “given” and presents a significant vulnerability for the creation of the permanent authority.
- Action needs to be taken quickly to make the necessary changes to the legislation to reflect the desired governance structure and to obtain the required approvals for the revised legislation.

Board and Executive Leadership

Strengths:

- Processes for Board recruitment and development, as established by the government, have been adopted by the Ministry and the IA.
- Accountabilities for Board and CEO recruitment are clear.
- The Board Resourcing Development Office (BRDO) has initiated the Board appointment process on behalf of the Ministry.

Challenges:

- Permanent Board members need to be appointed by January 31, 2004.
- The Panel is concerned that the new Board will want to (and should) take the time to review their position before they adopt the documented policies, regulations, agreements, accountabilities and relationships thus resulting in further instability
- The Panel is concerned that a permanent CEO may not be in place until May 2004. (Even this date may be optimistic, given the length of time typically required to find qualified, experienced individuals.) There will be an ongoing lack of stability in the new organization.
- Until a CEO is appointed, the appointment of a permanent management team will be delayed. Its absence during the critical months ahead is of concern.
- Stable leadership at both the Ministry and the IA is necessary to accomplish the work over the next several months.

Stakeholder Relationships

Strengths:

- The Panel recognizes the extensive consultation that has taken place with stakeholders and that the input from stakeholders has influenced the direction of service transformation.
- The Panel also appreciates the thought that has been given to the means by which stakeholders' interests can be solicited in future.

Challenges:

- While the Panel has been impressed with the IA's work on stakeholder relations, there is one facet that we believe needs strengthening. In all the documentation the Panel viewed in regard to this important matter, there did not appear to be a vehicle

by which stakeholders could express their views directly to the Board. While it is valuable and important for Authority staff to be the front line in communicating and interacting with stakeholders, it is equally important that Authority staff not be the only means by which the Board is informed of views from its clients.

Information Management

Strengths:

- The IA has developed a comprehensive Information Resource Management Plan (IRMP) detailing the IT/IM needs for the future.

Challenges:

- There is a need to do IRM planning in partnership with the Ministry so that the Ministry's IRM plan and the Authority's plans are aligned where necessary.
- The Ministry is unable to fund the IA's IRM plan as developed and alternate plans must be put into place to ensure that the critical information and data needs of both organizations are available.

Financial Management

Effective devolution of services cannot occur and be maintained unless it can be shown that the service delivery system is fiscally sustainable, within existing financial limitations.

Therefore, the readiness assessment must include an analysis of the budget management processes being developed, the contract management system being proposed to manage funding of service providers, and the budget sustainability initiatives being introduced.

There was also a need to identify the transition funding required to support the devolution process since the transition costs could negatively impact the budget plan.

Budget Management
Budget Stability and Sustainability
Transition Funding
Risk Management
Contract Management

The Panel prepared the following readiness questions for the Ministry and the IA:

➤ ***Budget Management/Budget Stability and Sustainability***

- Is there a funding methodology for the Authority to ensure that services provided result in desired outcomes?
- Does the financial management system provide financial direction on a multi-year basis?
- Is the budget for 2004/05 stable?
- Are effective strategies in place to ensure there is ongoing financial stability within existing financial limitations?
- Does the budget plan align with the service transformation initiatives?

➤ ***Transition Funding***

- Is the appropriate funding available to support the transition costs?

➤ **Risk Management**

- Is there an Authority risk assessment and management plan in place?

➤ **Contract Management**

- Is there a process in place for the Ministry to hand over the management of relevant contracts to the Authority and also to enable the Authority to effectively manage those contracts as well as future ones?

Based on the parties' response to these questions, the Panel has the following observations:

Budget Management/Budget Stability and Sustainability

Strengths:

- The Ministry of Finance has communicated to the Panel its endorsement of the Ministry's budget management plan to achieve financial stability for 2004/05.
- The Ministry and the IA have shown through documentation and presentation that they are working together to build the Authority's budget management system.
- The Ministry and the Authority will work in partnership on the Authority's budget process for next year.
- A budget management plan has been drafted that takes into account funding levels to 2006/07.

Challenges:

- Financial vulnerability will remain a concern until a decision is reached on implementation of the new service delivery model. The budget management plan may need to be adjusted based on that decision.
- The Panel has not received sufficient information to comment on financial sustainability beyond 2004/05.

Transition Funding

Strengths:

- Transition funding is in place.

Challenges:

- The decision on the implementation of the service delivery model and the transfer of services for children with special needs and their families may have an impact on the cost of transition.

Risk Management

Strengths:

- The risk management plan proposed by the IA appears to be satisfactory and is consistent with the risk management approach adopted by government.

Challenges:

- MCFD needs to develop a risk management plan for its devolution responsibilities.

Contract Management

Strengths:

- A contract management approach has been developed whereby the Authority will adopt the contract management process now employed by the Ministry.

Challenges:

- There is a need to determine if the new service delivery model substantially changes contracts with service providers and to determine the extent that the Ministry's current contracting procedures require amendments.

Service Delivery

One of the fundamental elements of devolution of services to a community based Authority is the establishment of a new model for service delivery that will support the vision of the parties. In assessing the readiness to introduce the new model, consideration must be given to not only the services to be delivered, but also the service transformation methodologies to be used. Since the service delivery model is highly dependent upon the effective use of staff, an assessment of the human resources planning and related logistic management strategies is also required.

Service Delivery Model
Services to be Delivered
Service Transformation
Service and Business Planning
Human Resources/Labour Relations
(HR/LR) Planning
Logistics Management

The Panel prepared the following readiness questions for the Ministry and the IA:

➤ ***Service Delivery Model***

- Is the service delivery model clearly defined and agreed upon by both the Ministry and the Authority?

➤ ***Services to be Delivered***

- Are the services to be delivered by the Authority clearly defined and agreed upon by both the Ministry and the Authority? Is there a common understanding of the client group receiving the services? Are the basic performance indicators by which the services will be evaluated clear and agreed upon?

➤ ***Service Transformation***

- Is service transformation underway? Are the phases of service transformation clearly defined and agreed upon by the Ministry and the Authority?

➤ ***Service and Business Planning***

- Is there a Ministry Service Plan in place that clearly articulates its objectives in the community living domain? Does the Service Plan further define measures that will enable the Ministry to evaluate their success in achieving these objectives? Does the estimate of resource needs for the upcoming year reflect the services that will be transferred and the service delivery model being envisioned?
- Is there an IA Service Plan in place and does it align to and build upon the Ministry Service Plan?
- Is there a detailed Authority Business Plan in place that details the major goals for the first year of operation and the major activities that must take place in each organizational unit to achieve those goals?

➤ ***Human Resources/Labour Relations (HR/LR) Planning***

- Does the HR/LR plan support the service delivery model?

➤ ***Logistics Management***

- Is there a plan in place to ensure that the physical plant, computers, records, etc. are in place and operational when the Authority opens its doors in June 2004?

Based on the responses received from the parties, the Panel has the following observations:

Service Delivery Model

Strengths:

- A service delivery model has been developed based on best practice research.
- A substantial amount of work has been accomplished to prepare business processes and supporting documentation in support of the drafted service delivery model.
- The Ministry and the Authority both support the vision and the principles behind the service delivery model.
- An open discussion on the parties' views and concerns about the implementation of this model has started and the parties have agreed to continue the dialogue with the intent of resolving the issue by the end of January 2004.

Challenges:

- The importance of reaching consensus on the implementation of the service delivery model cannot be underestimated. The service delivery model affects transition costs. It also drives budgets, human resource planning, labour relations activities and a host of other factors including logistics.

- The Panel recognizes that while the Ministry and the Authority share a vision and philosophy for service delivery, the decision to move to a new service delivery model is a tactical one that must be based on detailed facts and specific operational plans.
- The Ministry requires a risk management plan for the devolution of its responsibilities.

Services to be Delivered

Strengths:

- An open discussion on the Ministry's view and concerns about services to be delivered has started and the parties have agreed to continue the dialogue with the intent on resolving the issue by the end of January 2004.

Challenges:

- The service delivery model, along with the services to be delivered, define the new organization. Implementation of the permanent Authority can only take place when all parties agree on the "why we are here" and "what we offer".
- The discussion on "adults only" or "children and adults only" has been taking place over a long period of time. While the Panel appreciates the difficulty in resolving this matter, it is clearly of the view that an expeditious decision must be made by the parties.

Service Transformation

Strengths:

- The Authority and the Ministry have a common vision for service transformation.
- The individual funding service transformation is currently in the initial phase of implementation. Application review has taken place and assuming the project stays on track, service transformation will be underway by June 2004.

Service and Business Planning

Strengths:

- The Ministry's Service Plan has been approved by the Government Caucus Committee.
- The Ministry's Service Plan has been shared with the Authority.

Challenges:

- A service plan for the Authority must be developed. The objectives in this service plan must be reflected in a detailed business plan.

Human Resources/Labour Relations (HR/LR) Planning

Strengths:

- The major elements of an HR/LR plan are included in the implementation plan.

Challenges:

- A detailed HR/LR plan is dependent on a decision around services to be delivered and the service delivery model.

Logistics Management

Strengths:

- The Interim Authority has done considerable work on transition logistics.

Challenges:

- The logistics plan will have to be revisited once final decisions on services to be delivered and service delivery model are finalized.

Implementation Planning

Implementation Resources and Capacity
Implementation Schedule

A key component of readiness for devolution is the presence of a comprehensive implementation plan, and the availability of the required resources to manage the implementation initiatives.

Implementation Resources and Capacity

Strengths:

- The Ministry and the Authority have reached consensus in a number of important areas.
- There is considerable knowledge and talent in both the Ministry and the Authority.
- The individuals demonstrate commitment to community governance and service transformation.
- The Ministry and the Authority have shown that, when faced with differences of opinion, they can sit down with each other to work towards the same goal. Together, they have developed and agreed to a dispute resolution process.

Challenges:

- The preparation to get ready for the June 2004 opening date will require a significant investment of time and energy over the next five months.
- The Ministry executive, with other critical projects underway, is answerable to many stakeholders for their efforts. Skilled as the Ministry executive is at producing work of high quality in a short period of time, it is already stretched to capacity.
- The Ministry is responsible for current operations. This in and of itself is a full-time commitment.
- The parties expect to introduce a new Board and a new Authority Executive in the next five months. This effort alone will consume Ministry and IA time to hand over responsibilities to the new Executive and provide a smooth transition.

Implementation Schedule

Strengths:

- Considerable work has been done on implementation planning.

Challenges:

- The implementation schedule will only be realized if key issues are resolved within the time limits we have set and if resources are assigned full-time to the project.
- All parties must rigorously adhere to an agreed-upon timeline under unified leadership in the next five and a half months to complete all the necessary work before June 2004.

READINESS SNAPSHOT

The following chart provides an overview of the Panel's assessment of readiness and the key decisions/work that must be completed by the end of January 31, 2004.

Attribute	Today's Scorecard	State Required by January 31, 2004
Accountability Framework		Completed and agreed upon by the Ministry and the IA
Performance Agreement		Drafted, with the agreement by the Ministry and the IA
Legislation		Tracking against Overarching Project Implementation Plan
Board Leadership.....		Board members selected
Executive Leadership.....		CEO and management search underway
Stakeholder Relationships		Tracking against Overarching Project Implementation Plan
Information Management		Tracking against Overarching Project Implementation Plan
Budget Management.....		
Budget Sustainability for 2004		
Transition Funding.....		Must be confirmed based on key decisions
Risk Management – Financial areas.....		
Contract Management		
Service Transformation		
Service Delivery Model		Agreement on how to implement the model
Services to be delivered		Agreement on services to be delivered
IA Service and Business Planning		Tracking against Overarching Project Implementation Plan
HR/LR.....		Updated based on key decisions
Logistics management.....		Updated based on key decisions
Implementation Resources and Capacity.....		Project structure in place
Implementation Schedule.....		Tracking against Overarching Project Implementation Plan
Trust.....		Continuing effort displayed to work together on a single overarching plan and approach

LEGEND

Red

- Pending critical decisions
- Decisions will have major impact on other implementation activities and may detrimentally affect schedule

Yellow

- Agreed upon by both parties
- Time is available in the necessary timeframe to complete work by required date
- Considerable work in the area has commenced

Green

- In a healthy, if not complete, state of readiness

CONCLUSIONS & RECOMMENDATIONS

By its very nature, the role of the Panel was to assess potential vulnerabilities or weaknesses in the work that both the Ministry and the Interim Authority have undertaken to-date in preparing for the devolution of Community Living Services. As a consequence, the report of the Panel, by necessity, examines only those aspects that we believe require attention. As a result, the report does not comment upon the many aspects of readiness preparation undertaken by the Ministry and the Interim Authority that have been anticipated and planned for in a competent and professional manner.

The Panel notes, throughout this document and in the recommendations, the many challenges that the Ministry and Interim Authority must overcome to enable a permanent Authority to assume responsibility for service delivery by June 2004.

In assessing the challenges, the panel has concluded that the only way devolution of services can be accomplished successfully by June 2004 is if the parties (a) resolve three key outstanding issues by January 31, 2004, and (b) implement a comprehensive project management plan that addresses a number of actions that must be completed within the next five-six months.

(a) Resolution of Key Issues

The three key issues that must be resolved by the Ministry and Interim Authority by January 31, 2004 are:

1. Development of an Accountability Framework that is accepted by both parties, and development of a draft performance agreement;
2. Resolution by the parties of the implementation of the service delivery model; and
3. Resolution by the parties of the issues surrounding the transfer of services for children with special needs.

If these issues are not resolved by January 31st, the Panel recommends that the date for devolution be automatically deferred.

The Panel is also of the view that failure to appoint an interim CEO and to initiate immediately the recruiting process for the permanent CEO and the senior management team and to appoint the permanent Board members by January 31, 2004 will significantly reduce the probability of a successful devolution on June 1, 2004. It is essential that the permanent Board members be in place as quickly as possible to provide them the opportunity to review the proposed budget and service plan, the proposed performance agreement and the proposed legislation and to select the permanent CEO.

The Panel therefore makes the following recommendations to address these key issues:

- 1. With the Ministry leading the effort, complete the Accountability Framework and the draft performance agreement by Jan 31, 2004 and ensure that both parties develop the working relationships required to support the new Accountability Framework.**

Comments: Currently there are two accountability frameworks.

The Ministry must take the lead to complete a single, agreed-upon accountability framework that clearly defines the roles and responsibilities of the Ministry and the new Authority in the new relationship.

The Accountability Framework should identify the processes for outlining expectations, the new roles and responsibilities of the parties, and the performance management framework. The role of the Performance Agreement in determining expectation should be specifically identified in the Accountability Framework.

The Accountability Framework should also delineate the planning processes and responsibilities, and should clarify the Planning Commission's roles and responsibilities vis-à-vis the Ministry, the Authority Board and executive.

The new Accountability Framework may change over time at the suggestion of either party. However, the Ministry would continue to take the lead in modifying it as necessary.

By June, a performance agreement must be in place that will allow the Ministry to effectively assess how the Authority is meeting its expected outcomes.

2. **The Ministry and IA must agree by January 31, 2004 on the Service Delivery Model to be utilized and the methodology whereby it will be implemented. The Ministry must develop a risk management plan for the devolution of its responsibilities.**

Comments: The establishment of a new service delivery model is a critical component of the devolution process. It must support the vision of the parties relating to greater community involvement, while responding to the new accountability requirements.

The need to quickly resolve the delivery model is reinforced by the fact that it can have a significant impact on operating budgets and staffing allocations, both of which must be resolved before devolution can take place.

3. **A number of critical decisions must be made by January 31, 2004, regarding the transfer of services to children with special needs:**
 - **What services, if any, will the Authority provide to Children & Youth in June 2004?**
 - **When will Children & Youth services be transitioned to the new authority?**
 - **How will the services being provided by the new Authority be delivered?**

Comments: The transfer to CLS of services offered to children with special needs is a complex topic that must be addressed and resolved expeditiously. Successful resolution of this will involve not only the Ministry and CLBC, but also the Interim CFD and Aboriginal Authorities.

There must be resolution by the parties by January 31, 2004 on what services, if any, being provided to children with special needs will be transferred to CLBC and how and when these transfers will occur.

- 4. The permanent board members must be appointed at the earliest possible date and no later than January 31, 2004 to allow for sufficient time for the board to be oriented to assume their duties in June 2004.**

Comments: The SAGE report recommended that the Board consist of nine members with relevant experience. Another SAGE recommendation related to Board composition is still not finalized. The Minister must settle the decision concerning these points before the final selection is made. Ideally, this decision should occur within the next two to three weeks so that an objective selection process can take place.

The new board must be in place by January 31, 2004 to allow for time to orient itself to the field of community living, and prepare itself for its new responsibilities. One of its first tasks - selecting a new CEO – will require the board to have a good understanding of the new organization and the knowledge, skills and competencies the new organization will need to run effectively.

- 5. Recruitment for the permanent CEO and Senior Management team should commence immediately.**

Comments: The Panel recognizes that the executive selection process would be easier if the legislation were already passed and potential executive candidates can be ensured that the Authority will definitely be operational in June 2004.

However, the process for identifying, shortlisting and selecting executives for an organization can be a lengthy one and should be initiated immediately. The Board should be in a position to name the new executive team at the time the legislation is passed.

- 6. Confirm an Interim Authority organization executive team to work with the Board and the Ministry until such time that a permanent executive team is in place.**

Comments: The IA interim executive team membership must be clarified. Titles and documentation need to be clearly identified. The interim team will be heavily engaged with the Ministry and the new Board until a new executive is appointed. It will also assist the new executive transition to their new roles.

(b) Addressing Current Gaps in the Transfer Process

In addition to addressing the three key issues noted above and the need to appoint a Board and Senior Management Team, the parties must immediately implement a co-ordinated project management framework that will ensure the many tasks still to be completed will be done by next June. The Panel has concluded that the state of readiness for devolution will be facilitated by overall leadership and by a coordinated project framework. It is absolutely

essential that the parties co-ordinate their activities within an 'overarching' project framework that will permit them to address the outstanding tasks within the remaining time available before the proposed devolution of services.

These tasks are so critical to success that the Panel is recommending that their state of readiness be reviewed through a further independent assessment at March 31, 2004. If it is found that these tasks are not tracking to successful completion by June, the Panel again recommends that the devolution of services be deferred beyond June 2004.

- 7. Establish a dedicated project team with external co-ordination to provide leadership in all aspects of devolution of services to the new Authority. Ensure that the project structure enables the team to concentrate on the project without distraction from day-to-day operations or from the other important initiatives underway at the Ministry.**

Comments: Given the scope and magnitude of the work to be completed before June 2004, both parties concur that there is a requirement for dedicated resources to manage the undertaking and to complete all necessary activities to achieve a proper state of readiness.

Separating the overall management and coordination of devolution from the Ministry will allow the Ministry's Executive to tend to the pressing day-to-day demands of program administration and operations and to focus their attention on changes needed within the Ministry to deal with the significant changes in its roles, implicit in the devolution of these services.

- 8. The Ministry must, as soon as possible and in consultation with the IA, prepare the revised draft legislation, schedule dates for draft legislation review by the Legislative Committee; and secure approval of the House Leader to ensure passage of the legislation by March 31.**

Comments: The timeframe for securing approval and passage through the legislature is constrained and the Ministry must do all that is within its control to ensure that the process goes as smoothly as possible.

- 9. The Interim Authority needs to complete its service plan once the service delivery model has been finalized, and must ensure that this service plan reflects the directions identified in the ministry's service plan.**

Comments: The IA service plan must be aligned with the Ministry Service Plan and must be of sufficient detail to enable business units develop their operational business plans.

Both the Authority and the Ministry must agree upon the IA service plan.

- 10. The parties must ensure that transition funding allocations are sufficient to support the establishment of the new Authority and the devolution of services.**

Comments: Budget stability and sustainability is a key component of successful devolution. It is important that all transition funding requirements be properly addressed to ensure that there is no negative impact on the ongoing financial positions of either CLBC or the Ministry.

Since the decisions relating to the implementation of the service delivery model and the transfer of services for children with special needs can have a significant impact on the transition funding requirements, it is important that these decisions be made as quickly as possible and the related costs be identified.

11. The parties must confirm that the logistics plan supports the decisions made.

Comments: The logistics plan that ensures all the physical components are in place on opening day must be revisited once the final decisions on services and delivery of those services are made. The decisions affect office locations and size, records management needs, equipment installations, and many other areas that often cause frustrations and lead to inefficiencies until they are settled.

12. The parties must establish the minimum information and data needed by both the Authority and the Ministry to evaluate performance and outcomes.

Comments: The IA and the Ministry have started working together on developing an Authority IRMP that is affordable and meets the future needs of the Authority. In addition, the two parties have started determining alternate systems that could support the IA until permanent systems can be put into place.

13. Revisit and update the HR and LR plan immediately upon resolution of the decisions about the service delivery model and services to be delivered. Negotiate the transfer agreement with the BCGEU and resolve the financial impacts of the BCGEU extension agreement.

Comments: An updated HR/LR plan will be required to ensure a well-thought-out organizational structure is in place and to allow for a smooth transition of Ministry employees.

14. CLBC needs to create effective mechanisms for stakeholders to provide input directly to the Board.

Comments: The Interim Authority organization has done an admirable job obtaining direct input from a large number of stakeholders. Further, it has found this input very valuable in shaping the direction of the services that the new organization will provide. It is important the stakeholders continue to have direct input to the Board and that proper channels, managed by the Board, be set up to enable this continued process – e.g. organizing community town hall meetings; encouraging submissions on general or specific matters; and inviting direct involvement on specific policy matters.

15. **Conduct two independent follow-up assessments of the implementation plan. These should be performed in the first week of February and in the last week of March 2004. Both should be brief, concentrating on key targeted areas – i.e successful resolution of the 3 key issues by January 31st, and successful tracking of the implementation plan by March 31st.**

Comments: The January assessment should concentrate on the areas of greatest concern to this panel – areas the panel considers “show stoppers”:

- Have key decisions on services to be delivered and the service delivery model been implemented and are the parties working together to implement these decisions? Have both parties resolved to move forward after the key decisions have been made and work together within that context?
- Has a decision been made on the methodology and timing for the transfer of services to children with special needs?
- Has the Accountability Framework been developed and accepted by both parties?
- Has a draft performance agreement been developed?

In addition, consideration should be given to the progress made in the CEO and management search and the impact on successful devolution if delays are being encountered.

The March assessment should concentrate on the extent to which the parties are ‘tracking’ the project management plan, to ensure that all issues requiring resolution prior to devolution are being properly addressed.

KEY LEARNING POINTS: A GUIDE TO THE ESTABLISHMENT OF FUTURE AUTHORITIES

1. **Accountability, Financial Management and Service Delivery:** Attention should first be directed to achieving clarity in the foundation pieces (accountability, financial management and service delivery) for governance. Only once these foundation pieces are developed, can operational readiness be effectively and efficiently addressed.
2. **Establishment of a Comprehensive Project Management Plan and Development of a Project Management Team:** There is a need to establish a Project Management team that can remain separate from operational matters throughout the time of transition and can focus on the devolution process.
3. **Clear Articulation of the Accountability Framework and the Use of Performance Agreements:** An accountability framework needs to be developed at an early stage of the transition process that clearly identifies planning processes, expectations, roles and responsibilities, and performance management systems. This framework, which needs to be accepted and endorsed by both parties, can then become the foundation for the parties' working relationships, both during the time of transition and on an ongoing basis.

The accountability framework needs to identify the appropriate use of Performance Agreements and establish a process for development of these agreements that assumes Ministry leadership in developing the agreement, in consultation with the Authorities.

4. **Timely Development of Board and Management Structures:** A permanent Board and senior management structure should be in place early enough in the devolution planning process to ensure that both the board and management team are actively involved in developing the new directions in service delivery.
5. **Accountability During the Planning and Transition Period:** It is important to clarify the roles, responsibilities and expectations of the parties during the planning and transition phases. While the legislation allowing for the establishment of Interim Authorities limits their powers, it is critical that the parameters within which the Interim Authorities direct their planning for the establishment of the permanent authorities be clearly articulated.
6. **Dispute Resolution Process:** A dispute resolution process needs to be put in place as Interim Authorities are established. With a change of this magnitude, it is inevitable that the parties will have differing opinions, that can only be agreed upon through a mutually acceptable resolution process.
7. **Funding Methodology:** Funding methodology for determining the allocation of funds to each authority is not imperative when establishing one provincial authority. However, a funding methodology will be important to the establishment of regional authorities as it provides a defensible rationale for the equitable distribution of funds.

BIOGRAPHIES OF THE PANEL OF EXPERTS

Vince Collins (Chair)

Vince Collins has been a senior public service manager for 30 years. From 1988 to 1996, he served as the Province's Deputy Minister of Transportation and Highways. During 1996 and 1997, he served as the Chair of the Workers Compensation Board. From 1997 to 2001, he served the Government of Canada as a Chief Federal Negotiator under the BC Treaty Negotiation Process. During this same period, he performed a number of private consulting assignments in both the public and private sectors.

Vince rejoined the public service of BC in June of 2001 as Deputy Minister of the BC Public Service Agency, as well as the Country's first Merit Commissioner. During his career, he has been accountable for managing some of the largest organization changes in BC, including the first ever privatization of highway maintenance in 1988 and the restructuring of the provincial public service over the past two years.

Bert Boyd

Mr. Boyd is a senior management consultant with an extensive background in hospital administration, health management consulting, and health authority restructuring. He was the Project Coordinator for the restructuring of health authorities in British Columbia in 2001, and has been actively involved in developing a new accountability framework for these Health Authorities and the Ministry of Health Services. He has also assumed a leadership role in the restructuring of hospitals and regional authorities, and has undertaken a number of financial and operational assessments of health service providers.

Mr. Boyd has also worked with governments of a number of countries in reviewing their health systems and developing strategic plans in support of enhancing their health services. He also led a team in commissioning a new hospital in Belize.

Mr. Boyd's management experience includes serving as the Senior Vice-President at Vancouver General Hospital, the interim Chief Executive Officer of the Vancouver Richmond Health Board and the North Shore Health Region, and the President of the Prince George Regional Hospital. He has also been an Assistant Deputy Minister at the Ministry of Health Services in British Columbia.

Mr. Boyd has a Masters in Business Administration and a Bachelors of Science.

Arlene Gladstone, B.A., B.S.W., M.S.W.

Arlene Gladstone began her career as a medical social worker in Saskatoon, then worked as a family counselor in London, Ontario and as a play therapist in Burnaby. She served as a staff member of the Berger Commission on Family and Children's law in the early 1970's and worked at the Vancouver YWCA from 1979 to 1983, initially as counselor and then as Director of Support Services and Hotel/ Residence. Arlene was the Executive Director of Family Services of the North Shore, in North and West Vancouver, from 1984 to 2000.

In 1968 Arlene was the volunteer co-founder of the Block Parent Program in Canada, an initiative of the National Council of Jewish Women. Also as a volunteer, she served as a

APPENDIX 2

member of the Vancouver Police Board from 1992 to 1997, as a public member of the Practice Review and Licensing Committee of the B.C. Institute of Chartered Accountants, and as a member of the Reference Drug Review Panel for the Province of British Columbia in 2002-2003.

Arlene is currently a member of the board of directors of Family Service Canada, Vice Chair of Vancouver Opera Association and a consultant on board and donor relations to not-for-profit cultural and social service agencies.