
REPORT TITLE: Peel-Conservation Authority Climate Change Performance Measurement System

FROM: Gary Kent, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

That the Peel-Conservation Authority (Peel-CA) Climate Change Performance Measurement System be endorsed as an additional tool to support the Peel-CA annual budget review process;

And further, that the Peel-CA Climate Change Performance Measurement System be used to evaluate the Toronto and Region Conservation Authority (TRCA) and Credit Valley Conservation (CVC) programs or projects receiving Peel Climate Change Special Levy Funding;

And further, that staff use a methodology consistent with the Peel-CA Climate Change Performance System to develop key performance indicators to measure the impact of Regional actions towards achieving outcomes of the Region of Peel Climate Change Master Plan;

And further, that copies of this report and resolution be sent to the TRCA and CVC.

REPORT HIGHLIGHTS

- The Peel Climate Change Special Levy (the “Special Levy”) has been provided for over a decade to the TRCA and CVC for unfunded and underfunded activities that address climate change amounting to more than \$200 million since 2007.
 - Building off the current Peel-CA Climate Change Budget Risk Methodology developed and approved by Council in 2016, the Peel-CA Climate Change Performance Measurement System (the “Measurement System”) will improve the transparency and rigor of tracking and reporting the impact of projects and programs delivered by both Peel-Conservation Authorities (Peel-CAs) with the Special Levy.
 - Future annual performance reports of the Measurement System will be shared with Regional staff to inform Peel-CA budget review process and reported annually to Council.
 - Regional adoption of a consistent methodology to develop climate change key performance indicators to track and report on achieving the Peel Climate Change Master Plan outcomes will increase both alignment across agencies and clarity on how Regional investments are achieving shared climate change outcomes.
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DISCUSSION

1) Background

a) Peel Climate Change Special Levy

Since 2007, the Region of Peel has provided funding through a Special Levy to Credit Valley Conservation (CVC) and Toronto and Region Conservation Authority (TRCA) for climate change programs to address unfunded and underfunded conservation priorities that align with Regional climate change priorities. In more recent years, the funding has accelerated and expanded existing work undertaken by CVC and TRCA and has initiated new activities with a focus on mitigation and adaptation to climate change. Funding provided to both CVC and TRCA between 2007 and 2021 totals more than \$200 million which equates to an annual 2021 budget of \$7.5M (TRCA) and \$10.7M (CVC).

b) Peel Climate Change Strategy and Initial Climate Change Risk Methodology

In 2008, at the direction of Regional Council, the three partners developed a Service Strategy Business Plan that aimed to advance environmental initiatives within the Region. This plan identified climate change as a key priority for the organizations to address collaboratively. Subsequently, the Peel Climate Change Strategy was completed in 2011 to provide a more defined framework for collaboration, including goals and specific actions.

To increase alignment across priorities of the Region, CVC and TRCA, and to ensure that that dialogue would be ongoing, a Conservation Authorities Advisory Committee (CAAC) was formed in December 2012. In April 2013, following several extreme storm events, Regional staff were asked by the CAAC to bring back a discussion paper focused on the specific climate change risks being addressed by the Special Levy funding.

Regional staff, in consultation with CVC and TRCA staff, developed an initial risk-based methodology that the Peel-CAs used to analyze their climate change programs, starting with the 2014 budget year.

c) Revised Climate Change Risk Methodology

Over the period of 2014 –16, the initial climate change risk methodology was further refined to create a more robust analysis of Peel-CAs climate change program progress, while continuing to support the funding needs of the Peel-CAs , and provide Regional Council with assurance that the risks associated with climate change were identified, assessed and effectively managed.

The revised Peel-CA Climate Change Budget Risk Methodology (the “Methodology”) was approved by Regional Council in 2016 (Resolution 2016-343) and requires all current and proposed Peel-CAs climate change programs/projects be subject to a multi-step process that determines the level of risk and concludes with the prioritization of the programs/projects for a particular budget year. This information is reported by Peel-CAs to Council through the annual budget cycle using the categories Act, Invest and Sustain.

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The Methodology identified the need to develop key performance indicators (KPIs) to measure performance not just progress. A performance measurement system can help align collective outcomes and identify areas that need improvement by determining whether the initiatives are achieving their intended outcomes using pre-determined performance measures. The Measurement System sets out to accomplish this for the Special Levy.

2) Climate Change Performance Measurement System Project

The Measurement System will improve the transparency and rigor of tracking and reporting the performance of programs delivered by both Peel-CAs with the Special Levy funding. Development of the Measurement System and KPIs began in 2019 led by TRCA working in collaboration with CVC and the Region of Peel. TRCA retained KPMG Canada to provide expertise in performance measurement.

The primary goals of the Measurement System project were to establish a consistent methodology to align Peel-CA programs in the development of shared KPIs to measure the collective performance of TRCA and CVC climate change initiatives towards achieving shared outcomes that support their respective strategic goals and are aligned with the Region's Climate Change Master Plan (CCMP). The Measurement System aligned 44 cost centres between TRCA and CVC into eight program areas for a total of 10 KPIs.

The Peel-CAs will prepare Annual Performance Reports and share them with Regional staff to support internal review of Peel-CAs budget submissions and subsequently reported annually to Council. This reporting process will be integrated into the existing Peel-CA budget cycle to minimize any additional time requirements of staff. The 2023 budget is anticipated as the first to be fully informed by the Measurement System.

Finally, Region of Peel adoption of a consistent methodology to develop corporate climate change KPIs to track and report on achieving CCMP outcomes will increase both alignment across agencies and clarity on how Regional investments are achieving shared climate change outcomes. Details of the Measure System project are included in Appendix I and copies of the full report, authored by TRCA, CVC and KPMG, titled Peel Climate Change Performance Measurement Project Final Report, are available from the Office of Climate Change and Energy Management.

3) Pending *Conservation Authority Act* Regulations

In June 2019, the *More Homes, More Choice Act, 2019* (Bill 108) amended the *Conservation Authorities Act* to define four areas of core mandatory programs and services offered by CAs that will be further defined by regulation. The Province has recently released the Regulatory Proposal Consultation Guide in advance of the release of the Regulations for consultation, including details on the mandatory programs and services to be delivered by Peel-CAs. The proposed agreements that may be required to fund non-mandatory programs and services, and this transition process for Peel-CAs and municipalities, will identify non-mandatory programs and services that are financed in whole or in part at the municipal level. The new Measurement System will remain a relevant and valuable tool whether applied to mandatory or non-mandatory programs that address climate change priorities.

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RISK CONSIDERATIONS

Should the Measurement System not be endorsed, there is risk that investments made by the Region of Peel are not optimally allocated to support high performing climate change programs undertaken by the Peel-CAs. Further, efficiencies that can be achieved in using clear, consistent indicators to comprehensively review annual Peel-CA budget submissions would not be realized.

FINANCIAL IMPLICATIONS

TRCA and CVC will use existing budgets to implement the Measurement System in Q3 2021 with the objective of fully informing the 2023 budget submission. Peel-CA budgets are not expected to increase from implementing the new Measurement System. The Region will leverage existing staff capacity to facilitate an efficient review of Peel-CAs budget submissions as it pertains to climate change programs and application of the Measurement System; there are no anticipated impacts to the Regional budget.

NEXT STEPS

1. Request TRCA and CVC work with the Region of Peel Office of Climate Change and Energy Management to present results from the Measurement System as part of the Peel-CA current budget cycle process.
2. Staff to initiate the development of corporate climate change KPIs towards achieving outcomes of the Region's Climate Change Master Plan using a consistent methodology.
3. Staff to continue to monitor the consultations and pending guidance of new *Conservation Authorities Act* regulations.
4. Circulate copies of this report and resolution to the TRCA and CVC.

APPENDICES

Appendix I – Details Supporting the Measurement System Project

For further information regarding this report, please contact christine.tu@peelregion.ca

Authored By: Mark Pajot, Advisor, Office of Climate Change and Energy Management

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director, Financial Support Unit and Legal Services.