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SUMMARY OF COTTERILL REPORT
PREPARED FOR EXECUTIVE COUNCIL

Tabled at the Legislative
Assembly October 28, 1986
by the Honourable Nick Sibbeston

SUMMARY OF COTTERILL REPORT
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I. INTRODUCTION

The purpose of the study was to consider alternative organizational structures to the existing Fort Smith Region, which would allow for more efficient program and service delivery within the current and projected organizational needs of the Territorial Government.

Three organizational objectives were determined by the consultant to guide the determination of a new structure.

1. To provide more efficient and effective program delivery to the public in the communities served by the current regional organization.
2. To provide an organization that is cost-effective by ensuring:
 - the optimum use of available human resources;
 - the optimum use of existing financial resources and physical infrastructure.
3. The minimum number of changes to the existing organization consistent with the achievement of the first two objectives.

II. BACKGROUND

The existing Fort Smith Region is patterned on the organization of the Federal Department of Indian and Northern Affairs when it carried out those governmental responsibilities currently exercised by the Government of the Northwest Territories. The concept behind its organization was to ensure overall co-ordination of departmental responsibilities by placing each of the departmental units responsible for specific programs or services in one location under the direction of a resident, senior, executive officer. That senior executive officer was responsible, ultimately, to the Minister of the Department.

A number of factors led to this particular organizational concept.

- the scarcity of skilled professional and technical personnel within the communities, and therefore the need to pool them at an intermediate level of organization that was geographically central in terms of transportation and communications.
- the efficiencies resulting from the centralization of administrative, financial and other service and support personnel.
- the geographic distance from Ottawa and the need to ensure an effective level of operational planning and decision making close to the field of operations.

Because of the distance from headquarters it was necessary to ensure co-ordination through an executive officer. Because all activities of the Department fell within the ultimate responsibility of the Minister, the organization was hierarchical. The executive officer at each level of the organization directed the activities of functional units at that level and reported to the executive officer at the next level, ultimately to the Minister.

When the Territorial Government assumed the responsibilities formerly exercised by the Department of Indian and Northern Affairs, and most particularly when responsible government as de facto introduced, the circumstances leading to the original organization concept altered significantly.

- the distance between headquarters and regional offices, in the west, decreased significantly.
- the headquarters became closer geographically, and in terms of communications and transportation, to many of the communities in the central Mackenzie, than the regional office.
- the introduction of Ministerial responsibility, a prerequisite of responsible government, required the removal of executive authority from Regional Directors.
- a sizeable program and service delivery staff was developed within the headquarters community to service the departments at that location, and to deliver programs to the public within that community.

Developments over the ensuing years led to a substantial erosion of the regional organization as originally conceived.

- increased growth and development led to an expansion of the public service that allowed the placement in communities of personnel previously located at intermediate levels of the organization.
- increased personnel within the communities, and the distance of those communities from the regional office (geographically and in terms of transportation and communications service) led to the establishment of Area offices at geographically central locations close to a group of communities.
- a number of agencies of the Territorial Government were located within the Fort Smith Region but operated independently of the Regional organization.
- other departments of the Territorial public service, without field personnel, operated directly from headquarters.

Other events have a bearing on eroding the traditional function of the Fort Smith Regional office.

- the growth of municipalities and regional councils, and the expansion of the Legislative Assembly to the point where seven MLA's (two of whom are Ministers) are elected from within the Fort Smith Region, decrease the importance of the Regional executive as a source of independent advice and information to Ministers.
- the devolution of other Federal responsibilities such as Health and Forestry, is occurring, organizationally, outside of the Fort Smith Region. The devolution of Territorial programs such as school services, will create agencies operating outside of the Regional structure.

III. CURRENT ORGANIZATION

There are currently five program and four service departments represented within the Regional office. Co-ordination is exercised by a Regional executive staff.

All departments have a form of Area organization although the form, number, and location of these offices vary between departments. Field staff reporting to the Regional executive are placed in some locations and carry out a variety of administrative functions on behalf of other departments, in addition to a co-ordinating role. Below the Regional level there is no standard organizational format.

The function of Area offices is direction and supervision and the provision of administrative and technical support to a group of communities. Limited financial and management authority are provided at these levels, and they lack the financial resources and systems necessary to increase the authority. As a result considerable duplication exists with the Regional office in terms of direction and supervision, administrative support and co-ordination.

A high percentage of personnel resources within the Region are allocated to the functions of direction, supervision, co-ordination and administration and at these two levels of intermediate organization. Within the total personnel complement of the Region (583) 37.7% of the person years are allocated to the Regional and Area levels of organization. This compares with 26% in the Baffin Region which has a similar level and personnel complement (557).

The duplication of function between Regional and Area offices, limited decision-making capability at Area offices, and delays and difficulties in communication and transportation between communities, Area offices and Regional offices result in considerable delays in decision-making, and result in considerable inefficiencies with regard to service and program delivery.

It is revealing that the Region in closest proximity to Headquarters with the most highly developed municipal government, and best transportation and communications facilities and systems, should have the greatest number of intermediate organizational levels and the largest number of staff assigned to co-ordinating and support functions.

IV. ORGANIZATIONAL NEEDS

In applying the organizational objectives for the review, and basic organizational principles related to intermediate organizational levels, a number of needs are clearly apparent.

- reduce the number of organizational levels to avoid duplication and increase the efficiency and speed of operational direction and decision-making.
- provide adequate authority and financial support and capability to the intermediate level to allow most operational decisions to be made close to the scene of operations.
- centralize service departments to enable greater economies of scale and allow personnel resources to be allocated to program departments servicing the public.
- decentralize program departments to allow program delivery to the public to be more accessible and decisions made more quickly.
- ensure that intermediate levels of organization are located to take advantage of geographical proximity to the communities served, and accessible to direct communications and transportation links.
- ensure a more efficient utilization of the pool of operational personnel based at the Yellowknife headquarters.
- recognize that each department has different organizational requirements. Departments with large and technically varied personnel complements require a more complex, hierarchical organization. Departments with a small complement, and low volume of major transactions in terms of financial implications, may require a simpler organization that emphasizes direct links to headquarters.
- recognize that the requirement for co-ordination is sometimes over emphasized in terms of its general application. Generally speaking the principal requirement for interdepartmental co-ordination of operations occurs between service departments rather than program departments. Co-ordination between program departments is more important at the headquarters level where policies and programs are formed, and planning occurs.

V. ORGANIZATIONAL OPTIONS

The consultant considered basically two options, each having two variations: Firstly to move the current regional office in Fort Smith to either headquarters in Yellowknife or another community in the existing Fort Smith Region; secondly to strengthen existing area offices or enhancing area centres.

VI. RECOMMENDED ORGANIZATION

The consultant has recommended organization structures on two levels:

1. establish service departmental centres at two locations within the geographic areas of the existing Fort Smith Region. The consultant has recommended Fort Smith and Yellowknife as the locations.
2. establish program department centres at three locations within the geographic area of the existing Fort Smith Region. The consultant has recommended Fort Smith, Fort Simpson and Rae-Edzo as the locations.

The consultant also recommends the distribution of communities being serviced by the program and service centres.

VII. COST

The consultant concluded that the major portion of personnel resources necessary to establish area centres would come from service departments. Because the recommended organization establishes area centres for the service departments where these resources are already present, and substantial, the cost of implementing the new organization would be minimal. By building upon the substantial service resources already located in Yellowknife and Fort Smith, and by establishing some offsets from the existing Regional office as a result in lowered volume or scope of activity, the proposed organization could be introduced with no new person years.

VIII. SOCIO-ECONOMIC IMPACT

The consultant recommends 24 positions be relocated from Fort Smith to area centres. The consultant concludes that because the reduction in personnel assigned to Fort Smith would be minimal, less than 7% of Territorial personnel and less than 1% of community population, the introduction of the new organization should have minimal effect upon that community.

The community will benefit over the long run because of the stability resulting from a government organization based upon rational factors in which communications and transportation work in favor of the organization rather than against it.

The local economies of Fort Simpson and Rae-Edzo will benefit from an increase in government presence. Residents of those communities, and the communities they service will benefit from more responsive, more accessible and more efficient program delivery.

The most positive impact upon Fort Simpson, Rae-Edzo and the communities they service will be from improved program delivery.

IX. EXECUTIVE COUNCIL CONCLUSION

After reviewing the consultant's report and recommendations, the Executive Council has:

1. accepted the concept of three area centres and specifically the program department centres of Fort Smith, Fort Simpson and Rae-Edzo.
2. appointed Gary Black to develop implementation plans for Executive Council review by March 31, 1987 including:
 - a) distribution of communities among area centres;
 - b) two centre concept for service departments and the recommended locations;
 - c) relocation of personnel as recommended;
 - d) detailed financial implications;
 - e) any policy considerations such as the review of the staff housing policy to safeguard employees who own their own homes.

SUMMARY OF COTTERILL REPORT

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