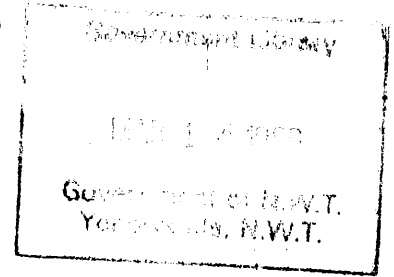


DECENTRALIZATION OF GOVERNMENT PROGRAMS AND SERVICES



Principles

1. Program standards and levels of service shall be maintained in any decentralization.
2. Where possible, program and service costs should not increase due to decentralization, but the Government of the NWT may be prepared to pay a reasonable premium in support of the equitable distribution of benefits.
3. Decentralization initiatives should be carried out expeditiously so as to minimize disruptions to program and service delivery.
4. The impact on communities from which decentralization is taking place, as well as the ability of communities to absorb the effects of decentralization, should be taken into account.
5. Community residents may be assisted, through appropriate training and other programs, to prepare for planned decentralization initiatives.
6. The desire and willingness of communities to accommodate decentralization shall be one of the factors taken into account in decentralization initiatives.
7. The location of program and service users shall be a major consideration in determining decentralization initiatives.
8. Decentralization of government programs and services should be considered in terms of other initiatives affecting the shape of public government in the NWT.
9. Decentralization of government programs and services should be considered in terms of the overall economic strategies of government.
10. The distribution of government expenditures is one legitimate and effective mechanism for stimulating economic growth, especially in smaller communities.
11. The Government of the Northwest Territories' employees affected by decentralization shall be treated in a fair and consistent manner.

GUIDELINES FOR DECENTRALIZATION

These Guidelines were adopted under the terms of the Government Organization Policy. All requirements of that Policy with respect to organizational design and amendment shall take precedence. That Policy treats decentralization as a major organizational change.

GENERAL

1. Definition

Decentralization is defined as the location of government functions related to the delivery of programs and services outside of headquarters, or, in the case of regional decentralization, outside of the main government centre.

In the NWT, decentralization of both existing and new programs and services can occur in two ways:

1. Decentralization from headquarters

- location of a new function in a community outside the headquarters location;
- relocation of an existing function from the headquarters location to another location;

2. Regional decentralization

- relocation of an existing function from a regional centre to an outlying community.

Decentralization does not include the creation of new person-years outside headquarters or regional centre locations to carry out functions that have already been decentralized.

2. Eligibility

a) Programs and Services

Most Government of the Northwest Territories programs and services are eligible to be considered for decentralization. Those functions whose decentralization would impede the effective functioning of government are generally excluded unless specifically identified by Executive Council. These excluded functions include those that directly and continuously serve and advise Ministers and the Legislative Assembly, as follows:

i) Central Agencies:

Financial Management Board Secretariat
Priorities and Planning Secretariat
Department of Finance
Department of Justice
Personnel functions such as Labour Relations
Advisory bodies to Ministers

- ii) Directorates, financial management and policy units of departments
- iii) Legislative Assembly support functions

b) Receptor communities

Regional Centres are eligible to receive programs and services decentralized out of Yellowknife. Other communities are eligible to receive programs and services decentralized from regional centres and may be eligible to receive programs and services decentralized out of Yellowknife under certain circumstances.

3. Decentralization Process

The process for proposing, developing, reviewing, approving and implementing a decentralization initiative shall follow the procedures generally outlined in the Government Organization Policy for amending government organization. More specifically, the decentralization process shall include five steps:

- initiation;
- assessment;
- approval;
- implementation;
- evaluation,

to be carried out in accordance with the guidelines described below.

AUTHORITIES AND CRITERIA

1. Initiation

The Minister of any Department initiates all decentralization proposals for his department, both from Headquarters and from regional centres.

A decentralization proposal for a Department may be initiated by a Minister as a result of:

- i) the addition of significant new functions either as a result of government priority or a transfer from the Federal Government; and
- ii) the identification by the Minister of a decentralization opportunity that would bring programs closer to those being served or result in a more equitable distribution of benefits;

or in response to a priority established by Executive Council.

Where the decentralization of programs and services from one department may affect the delivery of programs and services from other departments, the initiating Minister shall consult with other affected Ministers.

Executive Council or one of its committees may request that a Minister consider the decentralization of programs and services from his department.

2. Assessment

Subsequent to a decentralization proposal being initiated, the Minister shall direct that assessments of:

- the targeted programs and services and
- the proposed receptor community or communities

be undertaken by the department's Deputy Minister and the Regional Director of the affected region.

These assessments will take the form of a net benefit analysis which will examine both the benefits and disbenefits of any decentralization proposal. The detail and rigor of such assessments may vary according to the scale or scope of the proposed decentralization.

The relative importance or weighting of benefits or disbenefits may be established by Executive Council or the Minister in any particular case. However, generally the factors to be considered, in order of their importance, are:

- the impact on the distribution of social, economic and employment benefits as a result of government activity in the NWT;
- the impact on program effectiveness in terms of the closeness of program delivery to the clientele being served;
- the impact on program efficiency in terms of the increased or decreased cost of program delivery.

Programs and Services

In assessing each of the factors mentioned above, the following measures of benefit and disbenefit shall be considered by the Deputy Minister of the affected department, in consultation, where appropriate, with other Deputy Ministers, whose programs and services are affected by the proposal, and/or with Regional Directors, who may be required to co-ordinate the implementation of the initiative in their region:

Distribution of Benefits/Disbenefits

- estimate of the number of jobs to be transferred or created indirectly due to capital expenditures and the multiplier effect of government activity;
- estimate of the number of those jobs whose skill requirements permit them to be captured in the short, medium and long term by local residents, and, in particular the ability of community residents to fill non-professional positions immediately;
- loss of jobs directly and indirectly to Headquarters and/or Regional Centres due to decentralization.

Impact on Program Effectiveness

- analysis of the locale of the client group of the proposed decentralized programs and services;
- analysis of program disruption in terms of the effect of splitting program units and of the effect of increased separation of program management from program delivery;
- the timeframe for decentralization;
- identification of other relevant factors, such as, potential short term disruptions to service, the impact on employees, identification of potential opponents to the proposal.

Impact on Program Efficiency

- projected increases and decreases to operation and maintenance costs of program and service delivery resulting from decentralization;
- projected impacts on the capital plan including both expenditures and timing;

Receptor Communities

Prior to a decentralization initiative being approved, an assessment of the proposed receptor community, co-ordinated by the appropriate Regional Director, shall be undertaken to determine its capability and willingness to absorb the decentralized programs and services within the proposed implementation timeframe. This assessment will include among other things:

- an evaluation of existing infrastructure such as office space, housing, municipal services and schools;
- identification of new or upgraded infrastructure required by the proposed decentralization;

- an evaluation of whether required infrastructure can be constructed within the implementation timeframe in a manner which provides significant employment and business opportunities to community residents;
- an assessment of the potential of community residents to obtain employment in the decentralized program or service in the short, medium and long term along with an identification of required education and training programs; and
- an evaluation of the ability of the economy and infrastructure of receptor communities to absorb and of Headquarters/regional centre communities to adjust to decentralization.

3. Approval

As with all organizational proposals, Executive Council approves all decentralization proposals brought forward by Ministers.

As a general rule, decentralization proposals will be approved only if the two assessments reveal that:

- social, economic and employment benefits in receptor communities equal or exceed losses in other communities;
- receptor communities are able to reasonably absorb decentralization, particularly in terms of the employment of local residents due to direct or indirect job creation;
- infrastructure requirements in receptor communities can be met within 18 months so as to minimize program disruption;
- decentralization will not result in long term disruption of program delivery or reduction in levels of service;

When the above conditions have been met and Cabinet has determined there will be a significant redistributive benefit from the decentralization, Cabinet may be prepared to pay a reasonable cost premium to implement the decentralization.

A cost premium shall be calculated for every decentralization proposal. For the purpose of determining this cost premium, the cost associated with providing the program in its present location shall be the net present value of total O&M costs, discounted over a twenty year period. The cost associated with providing the program in the new location shall be the sum of one-time relocation costs plus the net present value of total O&M and necessary capital costs - net of recoveries - discounted over the same twenty year period. The premium is the difference between these two costs.

Cabinet shall determine on a case by case basis the reasonableness of the cost premium in terms of total benefits and disbenefits of the proposal. In doing so, Cabinet may consider the relative costs of government operations in different communities in the NWT.

Executive Council may exercise its prerogative to exempt any or all of these conditions for any particular decentralization proposal.

4. Implementation

Upon approval of a decentralization proposal, the Minister of the affected department shall direct the Deputy Minister, with appropriate consultation with other Deputy Ministers, whose programs and services may be affected by the initiative, and/or Regional Directors as regional co-ordinators of the initiative, to prepare a comprehensive decentralization plan based on the approved proposal substantiation, which will include:

- an indication of the specific objectives to be achieved by the decentralization as established in the assessment;
- a listing and description of the program and services, including the number of person-years, to be decentralized;
- an estimate of infrastructure requirements in the receptor communities and a plan indicating how those requirements will be met;
- an operational plan outlining how the decentralized programs or services will operate including arrangements with service departments for the services they provide;
- a regional implementation plan describing the process for regional coordination and community consultation;
- an estimate of costs or savings to the GNWT as a result of the decentralization including both one-time and on-going costs and savings;
- a time table showing when the decentralization of programs and services will be initiated and completed. If the decentralization is to occur in stages, details of interim arrangements must be provided;
- terms and conditions related to any decentralization of employees;
- a post decentralization evaluation plan indicating how, when and by whom the achievement of the proposal's objectives will be measured.

Each decentralization initiative shall be carried out as expeditiously as possible to avoid program disruption. As a general rule, decentralization proposal implementation should not take longer than 18 months from initiation to completion.

The implementation plan shall be reviewed by the Priorities and Planning Committee and Financial Management Board and approved by Executive Council.

5. Evaluation

Evaluation and review of the decentralization initiative, as outlined in the implementation plan, should be completed between 12 and 24 months of the completion of implementation.

Evaluations of the results of previously implemented decentralization initiatives shall be used as a basis of assessing and implementing new proposals.

OTHER FACTORS

a) Labour Relations

Employees affected by decentralization shall be treated fairly and in accordance with the Government's Collective Agreement, in particular those sections dealing with relocation (Article 43) and Layoff (Articles 33 and 38).

b) Training Provisions

i) Trainees and Apprenticeships

Present trainees and apprentices of the Government of the NWT affected by decentralization shall be provided the same opportunity and assistance to relocate provided to other employees. Where trainees and apprentices do not choose to relocate, they shall be provided with a suitable alternative training position in the Government in their present location.

ii) Community Training Needs

As part of the assessment process, community training requirements to take advantage of decentralized job opportunities shall be identified. The Lead Deputy Minister, as part of the implementation plan, shall work with the Deputy Minister of Education, with respect to that department's mandate for training, and the appropriate Regional Director, with respect to his co-ordinating role, to develop a training plan for receptor communities. Where appropriate and feasible, decentralization proposals will include sufficient resources and training person-years to assist local residents to take advantage of the opportunities created by decentralization.