CITY STRATEGY, TARGETS AND FINANCIAL MANAGEMENT
THE CENTRAL OBJECTIVE OF THE CITY STRATEGY IS THE CREATION OF A CITY COMMUNITY – INTEGRATION OF THE FORMER PRINCIPLES OF CONTROL

- Setting of political priorities instead of “everything is important”
- Structure of organisation and culture of implementation as opposed to merely managerial and economic efficiency
- At the core of the strategy there is a “political citizen” rather than a “consumer of public services”
COMPLEXITY OF COMMUNAL CONTROL

Society
- Companies
- Media
- Associations

Citizens

Politics
- Advisory councils
- Advisory council on migration
- council
- committees
- Parties

ACTION FIELDS
- e.g. urban planning, social affairs, culture

City administration
- Employee Representation
- Employees
- Management
- departements
Strategic Planning and the VUCA-World
(Prof. Kegelmann)

<table>
<thead>
<tr>
<th>V</th>
<th>Volatility</th>
</tr>
</thead>
<tbody>
<tr>
<td>U</td>
<td>Uncertainty</td>
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<tr>
<td>C</td>
<td>Complexity</td>
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<tr>
<td>A</td>
<td>Ambiguity</td>
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</table>

- **Volatility**: Fast change without a clear predictable trend or pattern.
- **Uncertainty**: Frequently disruptive changes; past is not a predictor of the future.
- **Complexity**: Multiple, interdependent causes.
- **Ambiguity**: Little clarity about what is ‘real’ or ‘true’.
Seven Steps Leading to (Local) Public Management Excellence

Excellent & innovative leadership systems

Creative, transparent and involving communication

Solid, but flexible and agile administrative architecture

Intelligent ICT-supported solutions

Sound performance control

Integrated financial management systems

Strong strategies and long-term visions

EXCELLENCE

CEFG CITY ECONOMIC & FINANCIAL GOVERNANCE GROUP

STÄDTMANNHEIM
When the Winds of Change blow, some people build walls and others build windmills.
CHANGE IS HARD AT FIRST, MESSY IN THE MIDDLE AND GORGEOUS AT THE END

ROBIN SHARMA
GOOD GOVERNANCE

Citizen-Oriented Good Governance

- Accountable
- Consensus oriented
- Effective and efficient
- Participatory
- Follow the rule of law
- Transparent
- Responsive
- Equitable and inclusive

Source: The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)
MOVING THE MUNICIPALITY OF MANNHEIM FORWARD TOGETHER – THE MOTIVATION BEHIND AND PRIORITIES OF STRATEGIC ACTION

Three key experiences and motivations:

- Results do not count.
- Integrative action does not happen.
- Political mission is lost behind the philosophy of service provision.

Furthermore:

- Increasing demands on municipalities during fiscal squeeze.
- Reactive fiscal action is not enough.
OBJECTIVES OF ADMINISTRATIVE MODERNISATION CALLED „CHANGE“ IN 2008 – 2013

- Development of a citizen- and business-friendly city administration model (citizen and customer orientation).
- Introduction of flexible and objective-oriented overall administrative management, i.e., alignment of offices with management objectives and supporting of the overall strategy → move from a structure-based to an effect-oriented approach – “focus on creating and shaping and not on administration”.
- Decentralisation of specialist and resource responsibility.
- Increase in the quality and effectiveness of administrative actions and consideration of staff-related matters.
  - Greater staff satisfaction
  - Modern management structures
  - Increase in motivation and commitment
OBJECTIVES OF ADMINISTRATIVE MODERNISATION CALLED „CHANGE“ IN 2008 – 2013

- Future image: We want to be one of Germany’s most modern city administrations.
  - We have clearly defined objectives. We want to know what we achieve, measure results and impacts and be able to stand up to the competition.
  - We are systematically developing our organisation, our processes and our instruments. We systematically foster and encourage our staff and managers.
  - We are faced with change on a daily basis. We are willing to adapt and change and are continually looking for even better solutions.
Results: Joint targets

**Before CHANGE²**

- No joint targets
- Chief officers create targets
- Low role of finance and budget targets
- No prioritisation – everything is important

**With CHANGE²**

- A Strategy with 7 (later 8) strategic goals
- Management targets are derived from the strategy
- Target agreements on the basis of management targets
- Linking the budget with the management target system
Results: Management

**Before CHANGE²**

- Guidance is not seen as own qualification
- No common understanding of leadership
- No conclusive concept for the promotion and further qualification of executives
- Trend: „The best clerk becomes sometime a boss“

**With CHANGE²**

- Guidelines for guidance, communication and cooperation as a basic code of conduct
- Strategical requirement profile for executives
- New management understanding as a basis for precise training offers (e.g. Coaching)
Results: Kommunikation und Zusammenarbeit (I)

Before CHANGE²

- Communication and cooperation depend on the respective executive
- Discussions of the Lord Mayor are focused on information
- There are already some obliging elements, e.g. annual employee appraisals

With CHANGE²

- New and regulated communication structures
- E.g. „Dialogue with the Lord Mayor“ - 30 randomly chosen employees were invited to discuss topics in a relaxed atmosphere
- Similar procedure with Councillors and Executives
- Target agreements at management level are introduced
Results: Participation and local democracy

**Before CHANGE²**

- Partnerships between citizens, politics and administration have a long tradition
- No uniform structure / Obliging standards
- No agreed understanding of how to deal with citizen participation

**With CHANGE²**

- Citizen participation becomes a strategic goal of the city
- A new department called „Council, Participation, Elections“ is founded
- Impetus for informal participation procedures
- New guidelines called „People‘s Town Mannheim“
EFFECT-ORIENTED MANAGEMENT BASED ON OBJECTIVES, OBJECTIVE AGREEMENTS AND A MANAGEMENT INFORMATION SYSTEM

Objective system
- Strategic city objectives
- Management objectives for offices, specialist areas and owner-operated municipal enterprises
- Key data system

Management dialogue
- Guidelines for management, communication and cooperation of Mannheim’s city administration
- Agreements on objectives
- Management processes

Management Information System (MIS)
- IT-based reporting system
- Information basis for managers when making decisions
- “single version of truth”
THE OVERALL STRATEGY IS BASED ON THE CITY OF MANNHEIM’S UNIQUE FEATURES

- Metropolis but not a megacity
- Cultural diversity
- Various educational successes in the city’s districts
- City of culture and home to the creative and music industry
- Lesser population growth in Mannheim compared to the surrounding region
- Strong sense of belonging in the community
- Modern business and industry location
A CENTRAL OBJECTIVE AND EIGHT STRATEGIC OBJECTIVES

Central objective: “Mannheim as Germany’s most compact metropolis continues to grow and evolve as a multifarious, tolerant and colourful city. Mannheim sees itself as a unique city of active residents and, as such, as a ‘city of citizens.’”

1. Mannheim strikes an excellent balance between ecological and social needs in an urban setting; it offers the advantages of a metropolis over a compact area without the negative aspects associated with major cities.

2. Mannheim stands out as a city full of talent and educational opportunities and is attracting an ever growing number of people.

3. Mannheim is able to attract an above-average number of companies and entrepreneurs.

4. Mannheim is an example of social tolerance in a metropolis setting.

5. Mannheim is an example of educational justice in Germany.

6. Mannheim is one the most culturally important cities and hotspots for creative business and is highly rated in this regard.

7. Mannheim’s citizens demonstrate an above-average sense of civil pride and receive an above-average level of support from their city.

8. Mannheim’s municipal equity is increased.
Objective 1:
To strengthen urbanity

*Mannheim strikes an excellent balance between ecological and social needs in an urban setting; it offers the advantages of a metropolis over a compact area without the negative aspects associated with megacities.*

- Examples of parameters/indicators:
  - Population of the city of Mannheim
    - 2016: 336,368
  - CO$_2$-Emissions
    - 2014: 77%
  - Centrality rating
    - 2016: 152
  - Share of the sampled population, that is contented to live in Mannheim
    - 2017: 93%

Objective 2:
To attract, develop and retain talents at an above-average level

*Mannheim stands out as a city full of talent and educational opportunities and is attracting an ever growing number of people.*

- Examples of parameters/indicators:
  - Share of employees subject to social insurance with an academic degree working in Mannheim
    - 2017: 20,2%
  - Number of students enrolled in Mannheim’s Universities
    - 2016: 28,003
  - Educational migration balance
    - 2016: 5,0%
Objective 3:
To increase the number of enterprises and (qualified) jobs in Mannheim

Mannheim is able to attract an above-average number of companies and entrepreneurs.

Examples of parameters/indicators:

- Number of business foundations per 1,000 inhabitants
  - 2016: 7.7

- Number of employees subject to social insurance contributions
  - 2017: 183,371

Objective 4:
To maintain social tolerance

Mannheim is an example of social tolerance in a metropolis setting.

Examples of parameters/indicators:

- Turnout of non-German EU-citizens in municipal elections
  - 2014: 6.1%
Objective 5:
To increase the educational success of the children, young people and adults living in Mannheim

*Mannheim is an example of educational justice in Germany.*

- Examples of parameters/indicators:
  - Share of three-year-old and older children until school enrolment in all-day care
    - 2016: 95%
  - Share of children without a backlog in language development at school enrolment
    - 2016: 81.3%

Objective 6:
To successfully implement the central projects “Cultural capital 2025” and master plan “Creative economy”

*Mannheim is one the most culturally important cities and hotspots for creative business and is highly rated in this regard.*

- Examples of parameters/indicators:
  - Number of employees subject to social insurance contributions in the creative industries
    - 2017: 3,901
  - Share of the sampled population that is rather or very satisfied with the cultural facilities in their city
    - 2017: 95%
Objective 7: To strengthen civil engagement and cooperation

Mannheim’s citizens demonstrate an above-average sense of civil pride and receive an above-average level of support from their city.

Examples of parameters/indicators:

- Percentage of residents volunteering
  - 2017: 35 %
- Turnout in municipal elections
  - 2014: 38.7 %

Objective 8: To increase the equity

Mannheim’s municipal equity is increased.

Examples of parameters/indicators:

- Dept level
  - 2016: 551 Mio. €
CONTINUAL IMPROVEMENT WITH THE PDCA-CYCLE

Establishment of the objectives and processes

Implementation of the processes

Actions to continually improve processes and performance

Monitoring and reporting the results

Plan

Do

Check

Act
RESSOURCES, PROCESSES, PERFORMANCE AND EFFECTS
EFFICIENCY GOALS & EFFECTIVE GOALS
MANNHEIM AS GERMANY’S MOST COMPACT METROPOLIS CONTINUES TO GROW AND EVOLVE AS A MULTIFARIOUS, TOLERANT AND COLOURFUL CITY. MANNHEIM SEEKS ITSELF AS A UNIQUE CITY OF ACTIVE RESIDENTS AND, AS SUCH, AS A ‘CITY OF CITIZENS.

**Strategic Objectives**

1. To strengthen urbanity
2. To attract, develop and retain talents at an above-average level
3. To increase the number of enterprises and (qualified) jobs in Mannheim
4. To maintain social tolerance
5. To increase the educational success of the children, young people and adults living in MA
6. To successfully implement the plan "Creative economy"
7. To strengthen civil engagement and cooperation
8. To increase the equity

**Indicators**

- Habitat density
- Number of students at Mannheim high schools
- Number of companies
- Number of politically motivated crimes
- School child care rate
- Medienresonanz "Mannheim als Stadt der Kultur"
- Election participation
- Debt level

**Management targets systems of departments + operator-owned municipal enterprises**

The Management target system consists of:

- **Performance targets** cover 100% of the budget.
  - Describe for each respective product the quantitative volume to be achieved by the department using the resources.
  - Each product is clearly assigned to a specific performance target without any overlap with other targets.

- **Efficiency targets** are based on the services. They cover less than 100% of the budget.
  - Describe conditions in society and the environment beyond the department to be created by the department’s services.
  - Subdivided into (1) efficiency targets with a clear assignment to a strategic goal and (2) efficiency targets without a specific assignment to a strategic goal.
CROSS-FIELD SUPPORT OF STRATEGY

To strengthen urbanity
To attract, develop and retain talents at an above-average level
To increase the number of enterprises and (qualified) jobs in Mannheim
To maintain social tolerance
To increase the educational success of the children, young people and adults living in Mannheim
To successfully implement the central projects “Cultural capital 2020” and master plan “Creative economy”
To strengthen civil engagement and cooperation
To increase the equity

Department I
Office 22
Tax office
Specialist area 33
Citizen services
Specialist area 37
Fire service and catastrophe protection

<table>
<thead>
<tr>
<th>No</th>
<th>Key issues</th>
<th>Responsibility for implementation at office level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Creation of location benefits</td>
<td>SA 37, SA 33, office 22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Management targets</th>
<th>Key data</th>
<th>Targ. value</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Increase e-service for companies</td>
<td>Number of digital notifications</td>
<td>Introduction of digital tax notifications</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>E-mail account user rate</td>
<td>Increase in e-mail correspondence</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Enhance awareness of benefits of the “major customer service” of the aliens authority</td>
<td>Number of major customers with foreign applicants with whom there is direct contact in relation to the total number of major customers.</td>
<td>Intensify exchange on business promotion and contact major customers personally.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Further development of comprehensive risk management for companies re. company insurance</td>
<td>Number of companies who use the consultation service in relation to commercial building applications</td>
<td>Coordination on creation of brochure (faults)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average number of defects at each fire prevention assessment compared to the number of buildings from key data 1</td>
<td>Extend holistic fire protection/hazard prevention/risk minimisation through comprehensive advice services for companies. Development and implementation of a marketing concept to advertise the benefits of the location.</td>
<td></td>
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</tbody>
</table>
**LINKING THE BUDGET WITH THE MANAGEMENT TARGETS: USING THE DEPARTMENT OF SECURITY AND PUBLIC ORDER AS AN EXAMPLE**

<table>
<thead>
<tr>
<th>Performance Target 1</th>
<th>Measures to defend against risks for public security and order have been implemented.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>Product</td>
</tr>
<tr>
<td>1.12.20-01-02</td>
<td>Treatment of matters to the danger defence</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Income</th>
<th>Actual Value 2014/ €</th>
<th>Target 2015/ €</th>
<th>Target 2016/ €</th>
<th>Target 2017/ €</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income</td>
<td>758.764</td>
<td>683.860</td>
<td>758.999</td>
<td>765.309</td>
</tr>
<tr>
<td></td>
<td>Expenses</td>
<td>-3.599.936</td>
<td>-3.754.556</td>
<td>-3.528.795</td>
<td>-4.244.360</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>-2.841.172</strong></td>
<td><strong>-3.070.696</strong></td>
<td><strong>-2.769.796</strong></td>
<td><strong>-3.479.050</strong></td>
</tr>
</tbody>
</table>

**Erläuterung:** Removal of disturbances of the public order, Protection of the public before dangerous influence on the health, Danger defence for the public and for affected ill, Security of demonstration participants and the population, major events, etc.

<table>
<thead>
<tr>
<th>No</th>
<th>Performance Target Indicators</th>
<th>Target 2014</th>
<th>Actual Value 2014</th>
<th>Target 2015</th>
<th>Target 2016</th>
<th>Target 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of fieldwork hours of the Municipal Supervision Service (KOD)</td>
<td>24.000</td>
<td>24.255</td>
<td>24.000</td>
<td>28.000</td>
<td>28.000</td>
</tr>
<tr>
<td>a)</td>
<td>Number of fieldwork hours of the KOD Foot Patrol Service Is raised in 2015</td>
<td>Is raised in 2015</td>
<td>wird ab 2015 erhoben</td>
<td>21.000</td>
<td>21.000</td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td>Number of fieldwork hours of the KOD Hotspot Patrol Service (e.g. City Patrol) Is raised in 2015</td>
<td>Is raised in 2015</td>
<td>wird ab 2015 erhoben</td>
<td>7.000</td>
<td>7.000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Proportion of public assemblies (demonstration processions, rallies) and information stands that are monitored, where necessary regulated, and escorted among all public assemblies (processions, rallies) and information stands in Mannheim Is raised in 2015</td>
<td>Is raised in 2015</td>
<td>1.130/1.130 =100%</td>
<td>1.200/1.200 =100%</td>
<td>1.200/1.200 =100%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Number of major events that are monitored, wherever necessary regulated and escorted</td>
<td>Is raised in 2015</td>
<td>123</td>
<td>-</td>
<td>130</td>
<td>130</td>
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<tr>
<td>4</td>
<td>Number of orders issued by the police in Mannheim (violent offenders in sport, commitment of people with mental health issues, violence in the immediate social environment etc.) Is raised in 2015</td>
<td>Is raised in 2015</td>
<td>387</td>
<td>-</td>
<td>400</td>
<td>400</td>
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<tr>
<td>5</td>
<td>Proportion of the inspected old-age and nursing homes in Mannheim among all Mannheim old-age and nursing homes</td>
<td>Is raised in 2015</td>
<td>32/45 =71%</td>
<td>-</td>
<td>45/45 =100%</td>
<td>45/45 =100%</td>
</tr>
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STRATEGIC TARGETS IN INVESTMENT CONTROL

Long-term

Strategy

Shareholder goals

Strategic development planning

Economic plan including medium term strategy

Target agreements with the management

Process cycle

3 – 5 years

Yearly

Commune

Company

Degree of operationalization

+
GOOD GOVERNANCE?

Effective and efficient?
- Management by objectives √

Transparent?
- Budget plan with all financial issues, management goals and indicators √
- Open data platform √

Participatory?
- Participatory budget √
- about 30 participatory involvements of the public per year √

Inclusive?
- Migrants advisory board √
- Charta management √

…
THANK YOU

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