

The National Capital Commission:

**Charting
a new course**





December 2006

The Honourable Lawrence Cannon, PC., MP

Minister of Transport, Infrastructure and Communities
Ottawa, Ontario

Dear Minister Cannon:

On August 2, 2006, you called upon us to carry out a study of the mandate of the National Capital Commission. You specifically asked us to review its lines of activity and its governance. You also asked us to review and make recommendations on the level of funding that the Crown corporation should receive.

In this study, the Panel has had the benefit of solid support by a cadre of professionals. Without the support of Gilles Déry, François Lapointe, Laurie Peters and Nicole Sauvé, the Panel could not have delivered its report on time, nor could it have done as thorough a study as it did. These professionals have served the Panel superbly, and the Panel is most grateful to all of them.

We are pleased to submit our report for your consideration.

Yours sincerely,



Gilles Paquet
CHAIR



Barbara L. Farber
MEMBER



Guy Benoit
MEMBER





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Photo credit:
National Capital Commission

Foreword



Canadians have a beautiful and vibrant capital. Citizens of the National Capital Region (NCR) appreciate that their collective environment benefits from being a capital. Still, residents of the NCR and Canadians at large have at times sensed that it might be possible for their capital to be more than it is. Canada deserves a world-class capital. The capital needs a steward that is able and equipped to ensure its successful evolution.

Charting a New Course maps the way.

In reviewing the mandate of the National Capital Commission (NCC), we have addressed head on the major irritants and constraints that have been brought to our attention and have plagued the organization in recent years.

Suggested remedies include:

- To eliminate undue secrecy and lack of transparency, we have recommended new rules for openness for all the NCC's Board and Advisory Committees' meetings;
- To prevent the sale of public assets in response to financial pressures created by underfunding, we have recommended a renewed funding approach and the abolition of any surplus land sales; and,
- To remedy frayed relationships and instil a new corporate culture sensitive to today's needs, we have proposed a new way of doing business that includes (1) splitting the roles of Chair of the Board and CEO, (2) bringing in the very best national and local experts as key advisors and Board members, and (3) investing in an enhanced Ombudsman position and in a new Associate CEO position the authority to solve problems and instil a new culture of consensus.

We have also gone beyond these proposed remedies and recommended several important transformations that will provide the NCC with a new focus and a renewed mandate to better navigate the realities of today and of the future.

We also propose, among other transformations:

- A more direct connection to Parliament;
- A new focus on the environment, on heritage and on inter-provincial transportation;
- A new responsibility to coordinate the 75/25 initiative for the distribution of federal employment and investment on the two sides of the Ottawa River;
- A new focus on the core of the capital; and,
- A renewed emphasis on the planning function and a greater coordinating role for celebrating and promoting the capital.

The above synopsis suggests, and hopefully the full document will reveal, that a major transformation of the NCC is required to ensure that Canada's capital remains a world-class capital, one of which all Canadians can be proud, and one that will be the envy of all visitors, national or international.

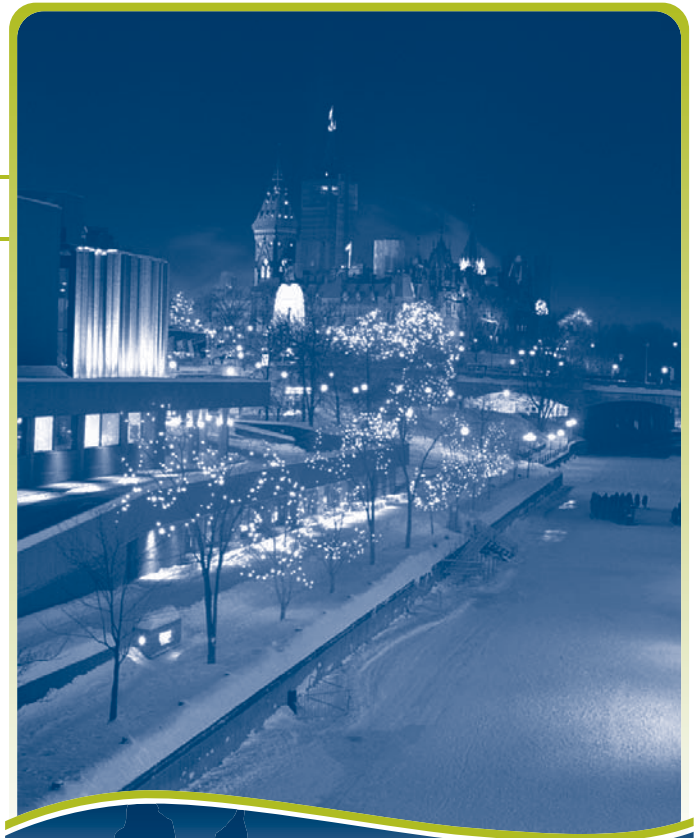


1

The nature of the study

“...capital cities are immensely subtle and complicated things, the full nature of which requires extensive studies.”

John Meisel



The issue

A *capital city* is a complex socio-economic organism. It is an administrative center; a country's window on the world; the symbolic embodiment of how its citizens live and think; a tourism hub; a center of municipal and regional services; and much more. It is also where the local population lives, works and plays. This poses a variety of challenges. How do we align these roles? How do we ensure some basic coordination – where everyone works together so that the capital city is run effectively and these roles complement each other?

The Panel's work was guided by the critical difference between a *capital* and a *city*. The *city* obviously has some requirements to ensure its survival and progress. But there are often separate and different requirements for a *capital* to thrive and prosper.

In most capital cities, an agency has been charged with some oversight over the capital. Depending on history, and on the relative importance given to the different functions of the *capital*, such agencies have been more or less powerful, they are more or less equipped with the necessary resources and tools to do the job well, and they are doing the job more or less effectively and in a more or less open style.

While each capital city has its own unique history and context, most capital oversight agencies, like the National Capital Commission (NCC), are charged with the planning work, review architecture and design; handle heritage buildings; manage real estate and assets; plan transportation; run cultural programming; manage events; and so on. These roles are often considered essential to the physical and symbolic dimensions of capital cities.

Since capital cities have had to evolve in symbiosis with their environments, these roles vary considerably from one capital city to the other.

Some agencies have concentrated on national public goods (such as monuments and nationwide celebrations). Other agencies also produce regional or local public goods. Some agencies shape their cities for the next century, while others have focused much more on the short term. Some agencies use immensely powerful instruments of control, while others are simply coordination agencies that use their privileged partnerships with stakeholders and moral suasion to develop strategies and get things done.

The challenges of governing, financing, and learning

As a matter of consequence, capital cities govern themselves and finance their activities in very different ways, often as a result of their particular circumstances. These patterns have also changed considerably over time as financial and democratic mores changed. This makes international comparisons neither as easy nor as helpful as one might wish.

The way a capital is created can lock in subsequent developments. The original circumstances often crystallized or even ratcheted up the citizens' expectations. Consequently, it is often hard to withdraw a service to which citizens have been accustomed, to charge for services that have been free, or to change the focus of the oversight agency.

Yet the expectations of the citizenry evolve, as does the general public philosophy. For instance, over the last 20 years, citizens have come to demand that public sector agencies be more inclusive, open and participative. Likewise, the governing structures are expected to better represent the various groups of stakeholders and to better ensure that their decision-making is more transparent. In addition, public agencies are expected to respect high environmental standards and to promote sustainable development.

Such sweeping changes in expectations have often driven a wedge between what the agencies do and what is expected of them. Therefore, from time to time, it would seem to be wise to have their mandate reviewed to bring it into line with changing values and circumstances. This is crucial to ensure that the capital city remains vibrant, develops fully and thrives.

Of necessity, such mandate reviews must question and critically appraise existing structures and practices. They are an occasion for a review of the major irritants and dysfunctions and then for suggestions for useful remedies, whether it be adopting new priorities, modifying governing structures and practices, changing the law framing the agency's activities, or even overhauling the agency's culture.



A mandate review is part of the normal process for an agency to adapt to change and to fully engage in social learning. Coordinating agencies always have room for improvement. The mandate review must, therefore, find out in what ways existing structures and practices limit the effectiveness, efficiency and legitimacy of the coordinating agency. But it must go beyond criticizing existing structures and practices. It must also propose repairs and transformations that would improve the agency's performance, given evolving circumstances, changing values and emerging priorities.

To fulfill its mandate, at a minimum a capital city oversight agency needs a legitimate mission statement to give it a sense of direction. The capital also needs a major investment in developing "communities of operatives". This term refers to the networks of relationships and public spaces for consulting and negotiating with everyone the capital city must work with, for it to succeed, whether those partners are near or far.

The challenges of Canada's capital

Canada's capital is confronted with a variety of particular constraints.

As the capital of a federal country, it must share capital attributes with provincial and territorial capitals. As the capital of a bilingual and ever more multicultural country, its symbolic functions are rather complex. Further, the capital is governed by a complex administrative apparatus, involving many overlapping levels of government and intermingled jurisdictions. Finally, the capital must find the right balance among its various administrative, international, symbolic and local functions in a milieu that is rich in structures of all sorts but which are not always working in harmony.

The commitment to maintain and enhance the status, beauty and vibrancy of Canada's capital in such a complex context is a daunting task. The sources of potential tension at the operating level are matched with equally difficult constraints at the communications level. Ensuring that these different dimensions are balanced, and that this balance is explained both continuously and extremely well to the rest of the country and to the local population (in ways that give both groups understanding and ownership

of their "capital") is no easy task. This is an especially momentous problem for an oversight agency that needs to communicate and to negotiate with an audience that is both spread out and finely divided.

Both the national and local communities have to be kept informed of how the national capital coordinating agency is carrying out its tasks. These communities must be persuaded, at all times, that the agency is doing all it can to meet three basic requirements: make the national capital hospitable to all Canadians, as they own it; make the national capital habitable for local citizens, as they live there; and make the national capital attractive to international visitors and guests, as Canadians want them to visit their capital.

These circumstances call for imaginative and creative governance mechanisms. To perform its diverse roles well, and to be seen to do so, the capital city has to speak to the country, and it has to be the trustee of the best possible image of the country's future. Yet it also has to pay particular attention to the local partners, who must be mobilized to produce a true "national capital experience."

The spirit of the study

The Panel's report may appear to have short changed the NCC by not giving its many nationally and internationally recognized successes the full place they deserve. But our role was not one of celebration. The spirit in which the Panel studied the NCC's mandate is clear: it looked critically at the agency's role in enhancing the capital, at the major irritants noted by the stakeholders and partners, at the existing impediments to playing a stronger and more creative role, and at enhancing the NCC's performance by modifying its status, operations, governance, funding and communications.

This mandate review is not a management audit.



It is not a review of the NCC's day-to-day operations. Instead, it broadly examines how the NCC might play a better coordinating role given the present context: a world in which (1) power, resources and information are widely distributed among many parties and stakeholders, all of whom must cooperate, and (2) the citizenry expects public agencies to conduct their business in transparent, consultative, and socially and environmentally sensitive ways.

To perform this task effectively, the Panel had to find the sources and causes of any ineffectiveness (in other words, the NCC not doing the right thing), of any inefficiencies (not "doing it right"), and of any waste for which the agency may be responsible (not doing it in the best economically, socially, and environmentally productive manner), in as much as any of these exist.

A simple philosophy underpins the Panel's work: we have cast as wide a net as possible to obtain key technical information, either in writing or from the knowledge base of experts, as well as from the input of all the stakeholders willing to take the time to prepare a statement. We have also drawn as widely as possible on the expertise of persons who have spent time critically examining the operations, governance and financing of the NCC.

We have focussed on proposing repairs rather than on assigning blame.

We have taken note of all the messages we have received: the concerns of those who were disgruntled, the remarks of opinion leaders, the reflections of all serious observers of the NCC (whether they were from the National Capital or elsewhere in the country), and the comments of foreign experts.

Our broad intent has been to identify as many of the public arenas and institutions, both in the capital region and across the country, where problems are framed and collectively defined, and then to ask for the views of as many persons and groups as we could. We wanted to know what might be done to correct existing flaws, to resolve noted problems, and to repair existing structures. We have given our very careful and considered attention to each problem brought to our attention and to each suggestion brought forward.

The Panel's work

The Panel was given its mandate in early August 2006 and was asked to report in mid-December 2006. This called for considerable work in a very short time. However, we feel that the genuine collaboration of most of the interested parties has made it possible to get the work done.

The Panel's terms of reference can be found in Annex I.

The Panel first studied all the NCC's historical and current experiences, so that we could build on a sound knowledge base and come away with an in-depth, solid understanding of how this Crown corporation is structured, and how it works. We are grateful to the roughly 20 people who provided us with basic technical information on the structure and functioning of the NCC, of the Canadian government, and of the rich array of institutions at work in the National Capital Region (NCR).

We are also grateful to the staff of the NCC. They have acted as true professionals in making available all the information we needed, when we needed it.

We are indebted also to the hundreds of people who spent a great deal of time preparing briefs for us and who have shared their experience with us. We sought to reach out to any person or group with anything to say, and we have been gratified by the responses. The briefs and comments submitted to the Panel were made public and were posted online at www.nccmandate.ca so that all interested parties could become aware of other views.

The Panel is unlikely to make recommendations that will make all the partners and stakeholders equally happy, but we have been guided by the simple rule that our recommendations should meet four conditions: be technically feasible; be socially acceptable; be "implementable" through collaboration with the stakeholders; and be not too politically destabilizing.



Procedure followed by the Panel

Since the Panel had approximately 100 working days *in toto* to carry out its mandate (including the writing of this report), it structured its work in three distinct stages, as follows.

- We familiarized ourselves with the NCC and developed a basic knowledge of how it works. With this information, the Panel could have informed discussions and make a provisional diagnosis which it could subsequently put to a test;
- We did basic fact finding. We consulted experts on aspects of the NCC's activities; called for submissions on the NCC's future; and held public meetings; and,
- We formulated our recommendations, based on these basic findings and consultations, and drafted this report for the Minister of Transport, Infrastructure and Communities.

The Panel conducted its hearings and discussions as transparently, openly and equitably as possible. The following are the principal means that the Panel used to ensure the best possible participation of the public.

Communications with stakeholders

The Panel issued invitations to a very broad range of stakeholders and interested parties. We followed up to maximize the opportunity each stakeholder had to participate.

Media

To inform the public about how it could participate, the Panel circulated notices and communiqués to community, regional and national media at key times during the consultation process. We launched an independent web site at the start of the consultation stage. This site communicated basic information on the review of the NCC's mandate, and it offered various options for communicating with the Panel and for participating in the review.

Consultation guide

The Panel developed a guide to make it easier for participants to prepare submissions, in light of the key issues and questions posed by the Minister of

Transport, Infrastructure and Communities in the statement of the Panel's mandate. The guide was available on the web site and was released in various forms as part of communications with stakeholders.

It is appended in Annex II.

Submission of briefs

Persons wishing to make a submission to the Panel could do so in person at a public meeting or could simply present a written brief. All briefs and comments were posted on the web so that all interested parties could review them.

Public meetings in Ottawa and Gatineau

The Panel held two public meetings, one at the National Arts Centre in Ottawa, and the other at the Université du Québec en Outaouais in Gatineau. The two meetings were well covered in the regional media: the meeting in Ottawa was cablecast by Rogers Television in French and English, and there was a webcast of the meeting in Gatineau. Some figures show the extent and scope of the Panel's consultations:

- 88 briefs and comments were submitted and posted on the web;
- 33 oral presentations were made at public meetings; and,
- 24 meetings with experts were held in the fact-finding phase.

Everyone who contributed a brief or met the Panel is listed in Annex III.

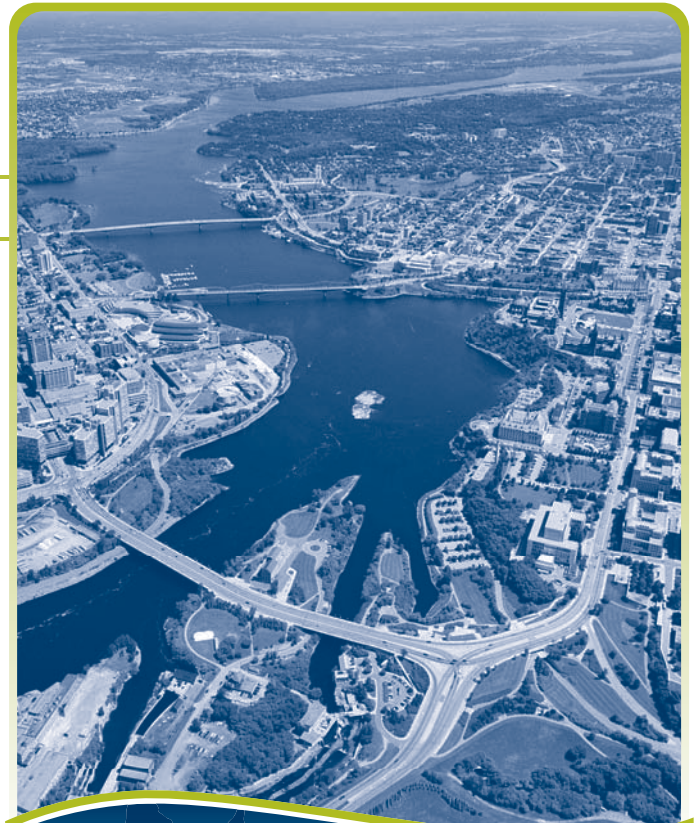


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The setting

“...in navigation, one must fix one’s starting position as precisely as one’s objective.”

John Franklin



Historical antecedents

In 1959, an act of Parliament brought the National Capital Commission into being to create and carry out plans to develop, conserve and beautify the National Capital Region (NCR), so that the seat of the Government of Canada would have the cachet and character befitting its national importance.

In so doing, the NCC was continuing the work of the Ottawa Improvement Commission (or OIC which operated from 1899 to 1927) and the Federal District Commission (or FDC which operated from 1927 to 1959).

The *National Capital Act* consolidated and increased the NCC's powers and resources, compared to those of the FDC. The Act also sought to establish the conditions needed to implement the Plan for the National Capital. Tabled in the House of Commons in 1951, the plan is better known as the Gréber Plan, in honour of its main author, urban planner Jacques Gréber.

From 1986 to 1988, the NCC's mandate was revised and modified to achieve the following objectives:

- allow the NCC to continue and to perfect the ideas of the Gréber Plan for the capital in the rest of the 20th and into the 21st century;
- identify three pillars stating what the NCC could do for the capital: make it a meeting place for Canadians, make Canada known to Canadians by representing their common values and principles, and preserve and protect Canada's national treasures;
- identify a national interest land mass (NILM), representing the land and properties necessary to continue developing, planning and programming in the capital; and,
- provide access to new sources of funding for the NCC so that it could carry out its mandate, including the possibility of partnerships and other agreements with the public, private and social sectors in the NCC's development and management activities.

The *National Capital Act* was modified in 1988. The objective of developing a capital was kept and expanded, and a new objective was added to the NCC's mandate. Under this new mandate, the NCC was authorized to organize, sponsor or promote public activities and events in the National Capital Region that would enrich Canada culturally and socially, while reflecting the federal character

of the country, the equal status of Canada's official languages, and the heritage of all Canadians.

Annex IV provides a broad sketch of the evolution of the NCC's mandate and operations. Annex V presents a broad picture of the NCR as a geographical unit and of its core, as it stands in 2006.

A snapshot of the NCC in August 2006

To help the reader appreciate where the NCC stood in the Summer of 2006, we have summarized some of its key features below. This has been drawn from the NCC's website and is meant to serve as a convenient reminder for those who have not had an opportunity to review the NCC's brief to the Mandate Review Panel.

National Capital Commission

Mission

Creating pride and unity through Canada's Capital Region.

Crown Corporation

The NCC is subject to the accountability regime set out in Part X of the *Financial Administration Act*, which makes it responsible to Parliament, but also gives it the independence needed to guide the development of federal lands in the Capital over the long term, the flexibility to harmonize its plans with those of other levels of government in the region, and the power to enter into productive partnerships to achieve its objectives.

Responsible Minister

The minister of Transport, Infrastructure and Communities is responsible for the NCC.

Board of Directors

The Board of Directors is composed of fifteen members, seven from the NCR and eight from the other regions of Canada, including the Chair/CEO.

Committees

There are four corporate committees: Executive Committee; Corporate Audit and Evaluation Committee; Compensation Review Committee, and Nominating



Committee. There are five advisory committees supporting the Board of Directors in its decisions: Communications, Marketing and Programming Committee; Planning, Design and Realty Committee; Official Residences of Canada Committee; Canadiana Fund Committee, and Tripartite National Capital Planning Committee.

Sectors of Activities

There are four sectors of activities:

- Planning the National Capital Region means ensuring that federal lands reflect the role and significance of the Capital as an appropriate setting for the Seat of Government and for national events and celebrations. Results include long-range visionary plans, site plans, concepts, guidelines, land use and design approvals;
- Real Asset Management and Development means ensuring that federal assets under the responsibility of the NCC are developed, maintained and managed in accordance with their National Capital significance, in order to enrich the experience of the capital for Canadians and for visitors. Results include the management and protection of physical assets of national significance, and the generation of revenues from some of these assets to complement federal appropriations in support of NCC work;
- Animating and Promoting the NCR means ensuring that Canadians have a better understanding of their capital, and that they identify with its role and significance. Results include events and public programming, interpretation and youth programs, national marketing and communications campaigns; and,
- Corporate Services ensure an efficient and productive use of resources through the provision of basic services like corporate and financial planning; information technology; financial, procurement and legal services; internal audits; human resources management; research; administration, and communications.

Property Ownership

The NCC owns 470 square kilometres of land in the NCR including:

- Gatineau Park (36,000 hectares);
- Greenbelt (20,000 hectares);
- 2,100 hectares in the urban area;

- 40 kilometres of parkways;
- 170 kilometres of recreational pathways;
- 63 heritage properties.

Source: National Capital Commission website 2006

NCC's operations, governance and funding

The Mandate Review Panel was asked to make recommendations about the NCC's operations, governance, and funding. In this section, we briefly map these three domains.

Operations¹

The original mandate of the NCC was to beautify the city of Ottawa. Its early years were devoted to preparing master plans that would not only guide the development work in Ottawa, but also lay the foundation for the future evolution of the NCR.

A vision of the national capital extending on both sides of the Ottawa River led to subsequent changes to the NCC's mandate, along with a broadening of its field of activities and an increase in its powers, as well as successive enlargements of the territory of the NCR.

Acquiring, managing and developing properties and buildings soon became very important elements of the NCC's mandate.

Since the Constitution gives the provinces jurisdiction for land-use planning and development, and since the provinces delegate these roles to municipalities, the NCC used its land ownership to influence land-use planning and development in the NCR.

In addition to preparing plans for the NCR, the NCC soon gained a power of oversight on the design of lands and buildings owned or controlled by the federal government. This power was then expanded, and federal departments

¹To simplify the presentation, we will refer to the three incarnations of the agency (OIC, FDC and NCC) collectively as a single organization, the NCC.

and agencies were required to submit any change in land use and any property transactions to the NCC for approval, to ensure conformity with NCC's plans for the capital.

With the latest review of the NCC's mandate in 1988, a new field of activity was added to the traditional activities of planning and stewardship, namely, programming and coordination of activities, events and celebrations in the capital. These new activities coincide with the broader repositioning of the NCC's mandate, emphasizing the symbolic dimension of the capital, and specifying the nature and scope of its more local activities.

The NCC's current operations reflect decisions made as a result of the federal program review in the mid-1990s: the NCC's staff was cut from about 1,000 to some 450 employees.

Three areas of activity – planning, stewardship and programming – remain at the heart of the NCC's mandate, but the way in which the NCC exercises stewardship has changed significantly. For example, many maintenance and management activities that were formerly the direct responsibility of NCC staff were transferred to the private sector through sale or privatization. Various forms of partnership have also become more important for the NCC. The NCC plays a greater coordination role in the federal government and among regional bodies on both sides of the Ottawa River.

Governance

The Board of the NCC has changed several times over the years, sometimes significantly. The Board has been comprised of as few as four members and of as many as twenty over the years. These changes in membership were designed to ensure that the different regions of Canada were equitably represented.

Although the federal government appoints all the current board members, in the past the cities of Ottawa and Hull, directly or indirectly, had a say in their selection. The mayors of the two cities sat on the Board from the late 1920s until the late 1950s.

As is the case with most other federal Crown corporations, the NCC's Board always met *in camera*. However, since the early 2000s, the Board has held an annual public meeting and an annual meeting with interest groups in the National Capital Region.

As a Crown corporation, the NCC reports to Parliament through a minister, currently the minister of Transport, Infrastructure and Communities. It reported formerly through the minister of Public Works and Government Services, Urban Affairs, or Canadian Heritage. The OIC and the FDC had reported to the Prime Minister.

Funding

Traditionally, the NCC has been funded in two ways: through federal government budget appropriations, and through revenues generated by its activities. In budgeting, the NCC distinguishes between operating and capital expenditures.

In the 1980s, as the federal government's financial situation deteriorated, the NCC's budget appropriations were cut and only partially indexed to the cost of living. Thus, the NCC had to increase its own revenue as part of its total budget. In the last ten years, its own revenues have represented an ever greater portion of the total budget, increasing from some 20% to over 40%.

Considering the extent of its property holdings, the need for reinvesting in the upkeep of these properties, and the lack of increase in federal capital spending, the NCC faced a structural deficit. Since the early 1990s, with the federal government's agreement, the NCC has used the proceeds of the sale of surplus land to fund some expenses.

Federal program review and subsequent federal budget cuts further reduced the NCC's financial flexibility. The NCC's annual report mentions that its budget has been slashed by 40% in real terms since the mid-1990s. Despite the significant reduction in staff, the change in how it operates, and the increase in its own revenues, the NCC is still in a precarious financial situation.

The structure of funding and expenditures for the last two fiscal years is presented below to provide a general sense of the NCC financial operations.

We have also included a graph extracted from a technical report submitted by SECOR, a consulting firm that the Panel hired to take an analytical look at the financing of the NCC.



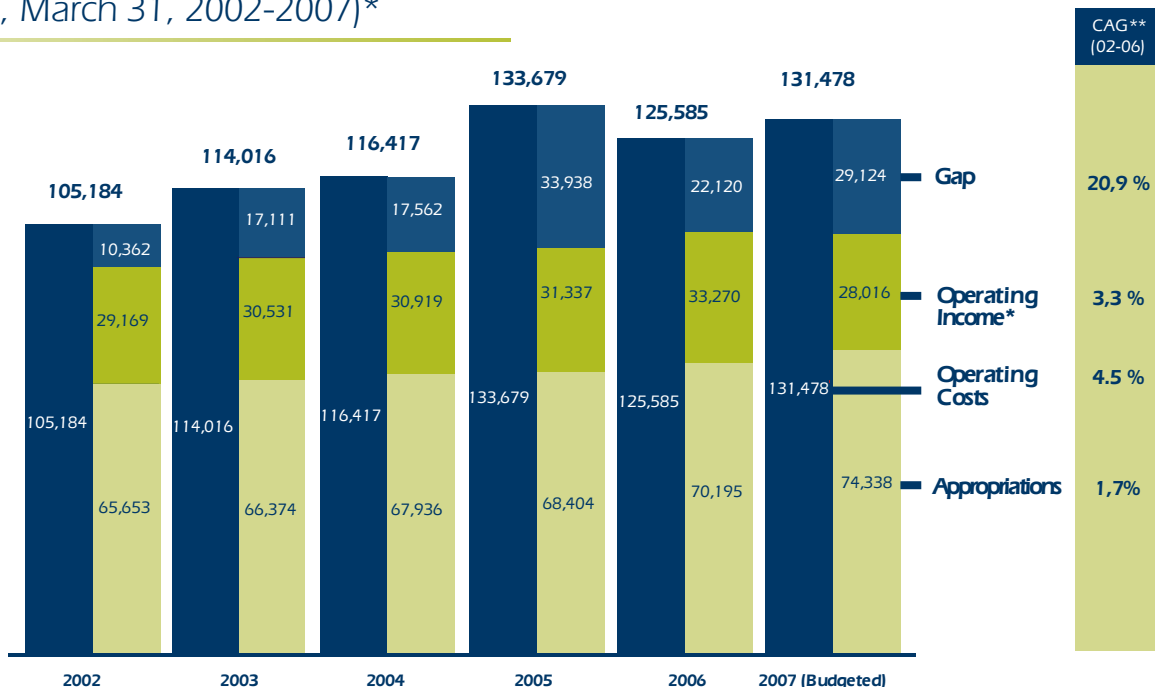
(thousand of dollars)	2005-2006 Actual		2006-2007 Budget	
	Operating Budget	Capital Budget	Operating Budget	Capital Budget
NCC INCOME				
NCC Income	51,675	—	32,216	
Federal Appropriations	70,195	33,263	74,338	22,898
	121,870	33,263	106,554	22,898
EXPENDITURES				
Animation and Promotion	23,227		21,236	
Planning, Design and Land Use	2,300		2,568	
Real Asset Management	79,234		80,361	
Corporate Services	20,824		27,313	
Purchases and Improvements to Capital Assets		35,438		19,424
	125,585	35,438	131,478	19,424
Net Profit (Loss)	(3,715)	(2,175)	(24,924)	3,474

Source: National Capital Commission Annual Report 2005-2006

The graph below examines the operating budget of the NCC for the last five years and the forecast for 2006-7. It suggests an order of magnitude for the gap between the revenues generated by federal financial appropriations and the NCC's own revenues, and the operating expenditures of the NCC. This graph indicates clearly that the gap between revenues and expenditures has been growing significantly over the last five years. While the average size of the gap over these years hovers above \$22 million, over the last three years it averages over \$28 million. This illustrates very clearly the NCC's financially precarious situation.

NCC OPERATION FUNDING GAP AT CONSTANT REAL BALANCE SHEET

(\$ 000, March 31, 2002-2007)*



* This does not include the gain on disposal of asset

** Compounded Annual Growth

3

The diagnosis and the prognosis

“...the willingness to work
with what is and at the same time
to be captured by something more.”

Philip Carter



Taking stock

Since its inception in the late 1950s, the NCC has been a dominant institution in the evolution of the NCR. Through its actions and accomplishments, the NCC has contributed to the creation and development of a world-class capital, one that is also the fourth largest metropolitan area in Canada.

Because of the breadth and scope of its mandate and activities – a measure of which is its 10% ownership of the NCR land mass – the NCC has had and continues to have a direct and indirect impact on the daily life of many communities and residents.

Because the NCC is so much in the public eye, most people have some opinion about it. The NCC's work has been the subject of both celebration and criticism.

On the positive side, the NCC is valued for its long-term planning, its contribution to the quality of both life and environment in the NCR; the professionalism of its staff and advisors; the provision of public events – celebrations and activities that residents and visitors can experience and enjoy; its many investments in infrastructure; and its partnerships and coordination efforts inside the federal government and across the NCR.

On the negative side, the NCC is criticized for its failure to consult properly; the lack of transparency of its decision-making processes; the difficult relationships it has with municipal governments; its slow-moving administration and the irritants to users and stakeholders that this creates; its absence of apparent due diligence in preserving some heritage properties; the perceived lack of protection provided to valued green spaces, such as Gatineau Park and the Greenbelt; the sale of some of its so-called surplus land and the use of the proceeds for NCC's operations; and its flawed proposals and public relations problems.

Public annoyance has resulted in an ambiguous public image of the NCC, despite the passive support it receives from the general population. This has led to calls for its renewal by some and its elimination by others.

Several reasons can be identified for this unfortunate situation. Some observers pinpoint failures on the part of the NCC, but others see a lack of attention, respect and support for the NCC and its mandate.

Constraints

The NCC's ability and capacity to successfully realize its mandate is constrained by the attitudes, behaviours and decisions of officials and stakeholders outside the NCC's reach and control. The following are some of these constraints.

Federal silos

Given its mandate, the NCC's activities and operations require it to work with the federal departments and agencies that have a stake in the National Capital. The NCC must also ensure that their interests, efforts and resources are coordinated in any joint venture.

Such a "horizontal" approach is crucial from an overall planning, stewardship and programming perspective. But for departments and agencies, this approach is not necessarily fully appreciated. They carry out their own mandates, highly focused on delivering more limited services or on narrowly defined objectives and tasks. A "silo" mentality ensues, and the NCC generally finds it difficult to play its *concertation* role.

Regional solitudes

In the NCR, the Ottawa River is more than a physical barrier. It separates two distinct cultural, linguistic and jurisdictional realms. While the experience of these "two solitudes" varies, emphasizing the differences between Ontario and Québec often hides what they have in common. It also gets in the way of their relationships, and of cross-river collaboration.

The economy of the NCR is closely integrated, but the transportation infrastructure, and in particular the public transit systems, do not reflect this crucial reality.

The NCC has historically played a key role in bringing together the regional stakeholders, but it has not been able to sustain this effort in the face of financial stringency. Yet such mediation is an essential condition to long-term cross-river collaboration. How do we distribute federal employment and investment on both sides of the Ottawa River? How do we build the required inter-provincial bridges? Such issues exemplify the difficulties in achieving an integrated perspective and coordinated solutions.



Double vision

Another constraint is that the NCC's planning work might seem to duplicate or contradict the work carried out by municipalities.

The different levels of government make plans for the same territory, but each does so from a different perspective. This distinction is often referred to as the Crown versus the Town or the Capital versus the City. This has led at times to bitter tension.

Those differences should not entail a "double vision" for the NCR, but can better be seen as a "complementary vision". This is especially so since the NCC has formally agreed to abide by the municipal plans in normal times. Recent NCC plans for Gatineau Park, the capital core area and the Greenbelt illustrate this unique aspect to the planning in the NCR, confirming that the NCC can harmonize its plans with local plans. But such harmonization requires hard and creative work.

Sources of the irritants

A number of problems have been the source of major irritants.

Expanded mandate and less money

Although the mandate of the NCC was expanded in 1988, it was not provided with any increase in funding. Despite a formal acknowledgement of the changing context in the NCR, and of the need to ensure the vibrancy of the capital and to enhance its symbolic value, no more money was made available, and no governance mechanisms were put in place to ensure that the new relationships on which the realization of the new NCC mandate depended would materialize.

NILM and non-NILM

The pressure to find alternative ways to fund the NCC yielded some innovative ideas and solutions. It also opened the door to making stewardship of the national interest land mass (NILM) a lower priority. Correspondingly, non-NILM properties came to be considered surplus to the needs of the capital, and potentially a source of liquidity to fill the gap between

the financial needs dictated by the tasks at hand and the financial resources made available to accomplish them.

This has generated sharp debates because of the fuzziness of the criteria used to define the so-called surplus land, and the unease generated by the NCC's selling public assets to meet its financial needs.

With the several program reviews that took place in the 1990s and early 2000s, the capacity of the NCC to deliver on its mandate was increasingly put to the test. The sale of surplus lands became an important source of funds for the rehabilitation and upkeep of assets.

Such sales came to be regarded as a "normal way" to compensate for the reduction in the purchasing power of financial appropriations. This funding strategy was subject to increasing criticism, and the relationships with communities and residents became increasingly difficult.

Frayed relationships

The tensions between the NCC and the different communities were compounded by the limited attention given to managing these relationships, and to resolving conflicts as they emerged. The absence of direct access to decision makers has been a long-standing sore point for many communities and groups who have repeatedly asked for more access. Furthermore, since the NCC has been operating at the margin of its financial capacity, the challenge of consistently delivering quality services has created administrative dysfunctions and irritants that have added to the conflicts with users and stakeholders.



Corporate insensitivity

Since the late 1990s, there have been a series of flawed initiatives and public relations problems, such as the NCC's plan for Metcalfe Street, the Lac-Leamy golf course, animal regulations and the Moffat Farm. These conflicts were not only the result of cavalier relationship management in dealing with communities and stakeholders. They also indicated some corporate insensitivity, at times, to local history, to the fact that residents living near NCC open and green spaces share a sense of ownership of these lands at an emotional and even a spiritual level, to the impact of the use of developers as intermediaries to avoid direct public consultations, and even to the consequences of not properly interpreting the design orientation and philosophy of the capital in some of the proposed projects.

Five R's in the mega-community

The short list of irritants and constraints presented above (and there are more) adds up to what might appear to be a significant indictment of both the NCC and of its circumstances. It is clear that the NCC has not performed superbly on all fronts. Much this can be attributed to its circumstances, but much remains ascribable to the NCC proper.

The Mandate Review Panel has built its diagnosis on a critical evaluation of these irritants and constraints, and it proposes to address them strategically. While detailed recommendations are developed in chapter 4, the latter part of the current chapter will briefly sketch the general philosophy that has underpinned our recommendations.

Our basic assumption is that the national capital area is what has been called a mega-community (i.e., "a public sphere in which organizations and people deliberately join together around a compelling issue of mutual importance, following a set of practices and principles that will make it easier to achieve results"²).

In practice, there are four critical elements for a thriving mega-community:

- understanding the problems to be resolved, the necessary players and partners, and the ways in which they affect one another;
- strong leadership as well as partners willing to listen, learn and understand;
- designing and customizing suitable cross-sector arrangements; and,
- learning from experiments as well as from effective collective monitoring of progress.

The NCC has been charged with the leadership of this mega-community. It has failed in the many ways that are mentioned above, but it has also *been* failed in many ways by an environment that has proved less than supportive and deeply fractured. It would be futile to deal with the mandate of the NCC in isolation of the context of its mega-community. Consequently, our report will deal with the repairs needed to the NCC's mandate, but also to its context.

The NCC remains an important institution in the NCR, and it can continue to play an important role in the future of the capital. But, important changes to the NCC and its circumstances are required. For the Panel, the 5 R's call for the NCC to:

- re-situate itself within the governing apparatus of the country and region;
- re-focus its mandate;
- re-new its activities and funding to ensure its long-term relevance and sustainability;
- re-frame its governance to bring it into line with the 21st century imperatives of transparency, ongoing consultation and collaboration; and,
- reach out to its constituency through continuous consultation, and establish new relationships based on a reconciliation of interests and a culture of consensus.



Enhanced status

For the time being, the NCC is a small Crown corporation (with curtailed powers) reporting to Parliament through ministers whose portfolios may change. This is quite different from the status it had when it reported directly to the Prime Minister.

While its Act mandates the NCC to enhance, beautify and animate Canada's capital, it has little moral authority over its partners, and a very limited set of tools with which to accomplish these tasks. Yet any reasonably comprehensive notion of this mandate also reveals that the NCC cannot do the job alone. It must share the work with a large number of other institutions and agencies.

If the NCC is to play its coordinating role well, it must acquire a status that gives it the authority to intervene, and a mandate that is clearly reinforced. A first requirement would be to achieve a broad consensus on the place of the NCC in its environment within Canada, the federal government, and the NCR, as well as on its role in the context of a new mandate.

There should be a consensus that the NCC has the mandate to coordinate and play an oversight role, and to ensure that all the required partners work in concert in the process of enhancing, beautifying and animating Canada's capital. The NCC should be seen as the principal organization charged with coordinating the activities of the many national, regional, and local actors to make Canada's capital what its citizens want it to be. This is *not power over* but *power with*.

Ideally, the NCC would become an agent of parliament (AP). Agents of Parliament represent a fifth branch of government (over and beyond the legislative, executive, judicial and bureaucratic branches). The Auditor General, the Chief Electoral Officer, the Commissioner of Official Languages, and the Privacy Commissioner are all APs. Named for a statutory term, APs require the confidence of the chambers. They submit estimates and annual report to Parliament through either one of the Speakers or some other means.

APs are meant to make Parliament stronger by furnishing "effective, politically-sensitive yet expert knowledge". APs are a source of politically relevant knowledge above partisan disputes. One could argue that only a body with the legitimacy of an AP can navigate the symbolic importance of the capital, the difficulty in creating and maintaining such a reference point for the citizenry, and the complexity of the mega-community that must be mobilized to do so.

But since it is unlikely that such a status will be bestowed on the NCC, it might at least be possible to ensure that the NCC reports to Parliament via its Minister through the Joint Committee of the House of Commons and Senate on the Library of Parliament or some such channel. This would firmly establish the NCC's leadership role in coordinating and overseeing the planning and celebrating of the capital.



Sharper focus

Before we can meaningfully discuss the NCC's focus, we must clarify the NCC's central role, and re-affirm a consensus on the capital's importance.

The first focal point, planning the capital, has been a permanent fixture of the agency since its inception. A second main focus was added after the last mandate review: celebrating the capital and ensuring its vibrancy.

These seemingly innocuous words are quite potent. They present in very clear ways the rationale for the existence of the NCC, and the reference points to be used in defining priority activities such as:

- focusing the planning role of the NCC on the national dimension of the capital and the lands of national interest;
- achieving an integrated and sustained approach to the planning of the capital within the federal government in particular with respect to the policy of balancing federal employment and NCR investment between the Ontario and Quebec sides;
- strengthening the current role of the NCC in transportation planning in the NCR;
- confirming the stewardship role of the NCC for Parliament Hill and the official residences as the foremost heritage symbols and icons in the capital and in Canada; and,
- confirming the NCC's other mandated areas of activities (such as heritage stewardship, environmental stewardship, events and celebrations, interpretation and commemoration, visitor services, exchange programs, cultural outreach, and promotion and marketing).

Refurbished toolbox

For the NCC to be able to play its role as grand coordinator, it must have at its disposition the right sort of toolbox. It needs the instruments to ensure both enhanced intra and intergovernmental coordination, and better transversal coordination in all sorts of domains.

The expectations of the citizenry and the commitments made by the governments point to a capital that has these qualities:

- a natural environment to be conserved and protected;
- a basket of material resources to be properly husbanded;
- a symbolic capital that must be promoted and celebrated;
- a trans-border mega-community that needs to be developed evenly; and,
- a living mega-community to be nurtured and dynamized.

The NCC must be the steward of the national interest land mass (NILM) in the area. But, as steward of these material resources, the NCC should be bound by a *no net loss constraint* that will ensure that at no time will any portion of the real property endowment be allowed to be eroded.

The NCC must be a guarantor that the capital will develop in keeping with the plans for both sides of the Ottawa River, and must work actively to ensure that the infrastructure in place will support such development, while maintaining the multicultural fabric of the capital and an appropriate place in it for First Nations.

The NCC also has to coordinate and consult with federal, provincial and local institutions to make the capital as vibrant as possible. While this means that the NCC should make its presence felt in capital activities, it also means relinquishing a direct presence in activities that are clearly the domain of other institutions, particularly municipal institutions.

Finally, it is unreasonable to pretend that one can meaningfully sustain the same mandate, and the activities it entails, with a fraction of the budget that used to be available. Attempting to continue to do everything, even when funding has faded away, has verged on the heroic, but now borders on the irresponsible. Consequently, some additional financial support has to be made available to the NCC.



New rules

Governance might best be defined as effective coordination when power, resources and information are widely distributed. The NCC has to recognize that it cannot do its work without the active and creative collaboration of many partners, and that such effective governance can only emerge from a process of deliberation that is based on the highest standards of trust, transparency, consultation and accountability.

But these imperatives are not likely to generate good results if the design of the organization is not aligned to the complexity of the tasks it tackles. The NCC is engaged in many different lines of activity such as planning, real property management, transportation, preservation, and animation. It is unwise to suggest that those best competent to handle these matters are cut from the same cloth. As any systems expert will testify, the governing apparatus of an organization must have the same degree of complexity as the concern it is intent on governing.

Consequently, it would be unwise to seek a degree of simplicity that would condemn the organization to becoming dysfunctional. The NCC must have a governance structure that is complex enough to match the challenges with which it is confronted:

- balancing a greater openness and transparency in the NCC's activities with its capacity to focus on and realize the long-term vision;
- providing, as much as possible, for the involvement of partners, users and stakeholders in the governance of NCC activities;
- reforming the Board of the NCC to reflect better the breadth of its constituency, and the diversity of quite different concerns in how we create the capital, and to rebalance the representation from the NCR and from the other regions of Canada; and,
- ensuring the appropriate access of users, stakeholders, and citizens to the NCC Board and its committees.

New culture of consensus

Last but not least, when considering what the future has in store for the NCC, we have to recognize that if the NCC is to play this new role, it must change its organizational culture.

The notion of culture refers to what one might regard as the "soul" of an organization, what is shaping the way in which an organization perceives the world, reacts to changes in the environments or challenges from competitors or partners, and governs itself.

It will not suffice to merely clarify the NCC's mandate, to re-focus the organization, to provide it with a refurbished toolbox and to equip it with a more robust governance apparatus. Nothing less than a cultural change will do.

Such a change would ensure that the evolution of the NCC is happening in sync with its internal and external environments, and also ensure that the organization is constantly adjusting, learning and reinventing itself. An NCC priority must be the nurturing of relationships with partners and stakeholders. Another priority must be a complete transformation of the way in which the NCC handles any irritant or blockage in its dealings with partners, stakeholders and users.

The details of the recommendations that flow from this general approach are spelled out in the next chapter.

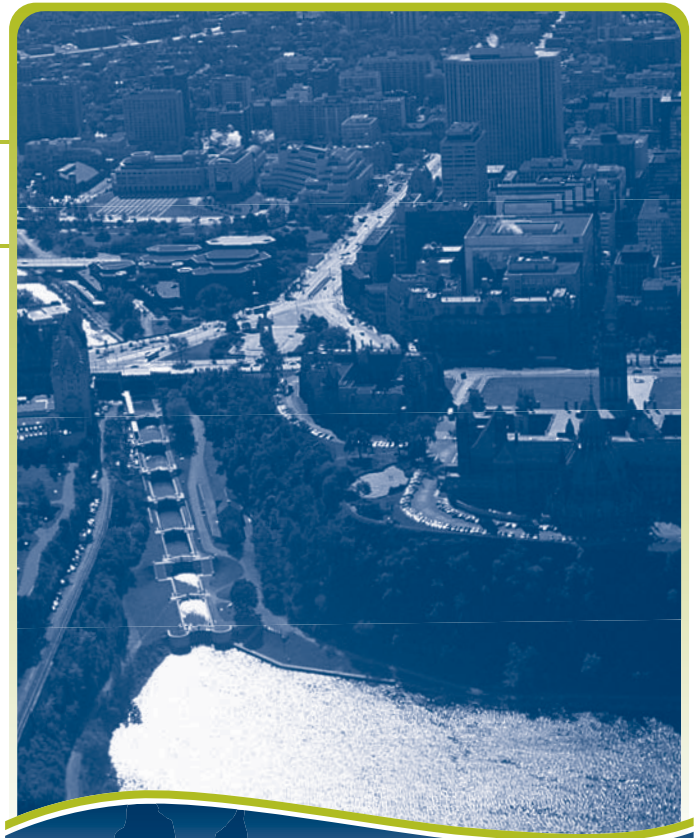


4

Transformations required

“...for appropriate regulation
the variety in the regulator must
be equal or greater than the variety
in the system being regulated.”

Ross Ashby’s statement of Ashby Law



Our recommendations

The following recommendations are meant to define a new philosophy of Canada's federal capital. For the reasons mentioned in the previous chapters, we have been persuaded by our Mandate Review that while Canadians value their Capital immensely, they are not necessarily as well served by the stewards of their capital as they should be.

This is not ascribable to ill will or lack of interest, but to a number of impediments and constraints that often are the unintended consequences of historical accidents, traditions, and a lack of critical scrutiny of the existing institutional setting.

Our main purpose has been, as much as possible, to remove these impediments and constraints, and to heighten a restored stewardship.

First, this will entail an enhanced status for the principal steward of the capital. Reporting through a joint House of Commons and Senate Committee would not only provide a higher profile for the NCC, but would also generate a greater sense of ownership of their capital by all Canadians.

Second, this new status demands that the NCC focus more sharply on some central responsibilities and priorities. The recommendations make a special plea for priority being given to the NCR core, to environmental and heritage concerns, to transportation, and to the social and economic balance of the different portions of the NCR.

Third, our recommendations call for changes in the rules of governance of the capital. If we want to empower the stewards of the capital so that they can do a better job of planning and celebrating a more beautiful and vibrant capital, we have to recognize that this job cannot be done top-down and coercively. This work must be the product of collaborative and transparent co-governance, involving all the relevant partners and stakeholders who have a meaningful interest in the NCR and who have a portion of the resources, the power and the information required to perform the stewardship task demanded by Canadians.

Fourth, much depends on financial resources. Canadians' aspirations for their capital to remain a world-class capital must be matched with the necessary resources. It is our view that Canadians want this, and are willing to share in the expenditures required. We have proposed a plan that would allow this to happen.

Fifth, the Panel believes that a cultural change is necessary, and that a new consensus and a new spirit will have to underpin the transformation proposed. If trust and collaboration are to prevail, the way the NCC deals with partners, stakeholders, users and citizens has to change fundamentally. Such a change will take time, because cultural change means modifying the way the organization perceives the world and reacts to it.

It is difficult to map out in advance how this cultural transformation will modify all aspects of the ways in which the NCC does business. Indeed, for the new team that will take over the organization in the coming months, the crucial and primordial task will be to engineer such a cultural change. The Panel has only provided a few recommendations that might help to create the requisite mindset for such cultural change.

ENHANCED STATUS

Canada's Capital as the fundamental reference point

The fundamental purpose of the NCC is to act as the principal instrument of the federal government in sustaining the continued evolution and development of Canada's federal capital in the 21st century.

Recommendation 1

THAT the long-term construction, stewardship, sustainability, and celebration of the capital of Canada constitute the overarching consideration for the federal government at the time of taking decisions regarding the future mandate of the National Capital Commission (NCC). The importance, significance and meaning of the capital of Canada – to the country and to Canadians – should be recognized through a new preamble in a modified National Capital Act.

The NCC Mandate

Based on the contributions made by the NCC and its predecessors to the development of the capital of Canada, and the opportunities and the potential that it can leverage in pursuing this important national undertaking, the Panel confirms the continued relevance and importance of the NCC for the progress and development of Canada's capital.



Throughout its consultations, the Panel has heard strong support for the NCC from both the stakeholders and the public, despite the constraints and problems that have plagued its actions and limited its capacity to deliver on the promises of its mandate.

The Panel wishes to highlight the three priority areas of the NCC – planning, stewardship and celebration of the Capital – which would contribute to focusing its actions in the coming years.

Recommendation 2

THAT the mandate of the NCC, as the main instrument of the federal government charged with the coordination of all activities pertaining to the ongoing planning, stewardship, and celebration of the capital of Canada, be strongly re-affirmed through the strengthening of its mandate.

NCC status as a federal institution

The Panel recognizes the appropriateness of the NCC's Crown corporation status over the last few decades. It also recognizes that this status has served it well in its range of activities. Nevertheless, a status upgrade would help restore the NCC to its former glory and importance, and would better help the NCC respond to its future context and challenges.

Recommendation 3

THAT all the current special constraints placed on the NCC's operations as a Crown corporation be removed, and that it be allowed to report to Parliament via the responsible Minister, with all official documents tabled with the Standing Joint Committee of the House of Commons and Senate on the Library of Parliament.

Approval of the Plan for Canada's Capital by Parliament

In recognition of the strategic character of the NCC planning mandate, and of the need for its planning activities to consider the long term evolution of the NCR, the Panel believes that the NCC's key reference plan for the NCR – the Plan for Canada's Capital (PFCC)

– should be subject to a different approval regime than currently exists.

The PFCC was last approved by the NCC in 1999. It was a successor to the *Plan for the National Capital* of 1950 (the Gréber Plan).

The NCC needs the requisite moral authority to carry on its mandate successfully, more specifically in light of the need to give a higher visibility to, and increase the recognition of, the capital among Canadians. It needs to elevate the value and standing of its planning within the federal government, and in relation to the other levels of government and stakeholders in the NCR. As such, the Panel suggests that the final approval authority for the PFCC should be with the Parliament of Canada through the Standing Joint Committee of the House of Commons and Senate on the Library of Parliament.

Considering that 2009 will be the tenth anniversary of the PFCC, the NCC should make it a priority to update it and have it approved by Parliament by that year.

Parliament's approval of the PFCC would provide several benefits. It would give moral authority to the interventions of the NCC in the NCR, more credibility to the definition and identification of national-interest lands it husbands, and a more solid foundation for the NCC mandate in political and administrative circles in the NCR. It would also make it easier to harmonize NCC plans with other planning documents in the NCR.

Such an approval mechanism would require an amendment to the *National Capital Act*.



Recommendation 4

THAT the *Plan for Canada's Capital*, as the principal planning statement by the federal government in regard to the long-term evolution of the NCR, be subject to approval by the Parliament of Canada via the Standing Joint Committee by 2009, and every ten years thereafter. This would confirm the overarching importance afforded to the Capital by Canadians, and contribute to the elevation of the value and standing of the NCC's planning activities both inside and outside the federal government.

SHARPER FOCUS

The following recommendations are put forward to help define a sharper focus for the NCC.

Planning Authority and Priorities

A clear consensus emerged from the consultations carried out by the Panel: the NCC needs to exercise its coordination role much more consistently and fully. This role is granted to it in the *National Capital Act*.

The stakeholders and the general public acknowledged and recognized the strategic importance of the NCC's coordination function in the complex environment of the NCR. This environment includes portions of two provinces, four levels of government, a well developed and active civil society, increasing ethno-cultural diversity, and closely knit regional economies.

Another key Panel conclusion was that the NCC should be required to focus its efforts at improving and enhancing its coordination role and responsibilities in a few selected priority areas.

One priority area is consolidating the NCC approval and regulatory authorities. Doing so would enhance its federal coordination role in the NCR, favour a more coordinated implementation of federal priorities in the NCR, and ensure that the NCC has all the necessary instruments to implement its vision and plans for the capital.

The current authorities should be clarified and expanded to respond to certain recent challenges to NCC land use and design interventions and decisions,

as well as to strengthen the application of the NCC authority to intra and intergovernmental projects and decision-making processes.

The balance of federal activities and investments between Ontario and Quebec, was recently re-affirmed by the federal government through the objective of a 75/25 Ontario-Quebec ratio of federal employment and investment in the NCR. This balance constitutes another area that could benefit from an increased oversight. In the same vein, the NCC might ensure that the bilingual and multicultural character of Canada translates into the current structure and operations of the capital.

An expanded enabling role by the NCC is also needed to coordinate inter-provincial transportation in the NCR. Several initiatives illustrate a failure of both sides of the Ottawa River to coordinate transportation infrastructures and systems. This failure has serious consequences for the NCR and may cripple the capital's development in economic terms and in terms of quality of life and quality of the environment.

Finally, the Panel believes that improvements to intergovernmental coordination should be focused in the core area of the capital (the broad area surrounding the federal heritage buildings at the centre of the two cities of Ottawa and Gatineau) (Annex V). This area is a prominent symbol of the NCR, and the NCC needs to address the key conditions required to ensure the area's long-term sustainability, particularly in regard to public transit, heritage, waterfront development, heritage interpretation and commemoration.

By consolidating and expanding its approval and regulatory authorities, the NCC could enhance its coordination role. This would require amending the *National Capital Act*.

Recommendation 5

THAT the coordination role of the NCC be re-confirmed, enhanced, and strengthened to reflect the requirements of the realization of the Capital Vision and Plans, as well as the implementation of the federal government programs and priorities in the NCR in such matters as land use, design, property transactions, location of federal employment,



buildings and facilities, federal investments, transportation, heritage, environment, and programming.

Recommendation 6

THAT the NCC be charged by Parliament to oversee the federal government's policy of a 75/25 ratio of federal employment and investments in the NCR having to be located on the Ontario and Quebec sides of the Ottawa River respectively, and to play a key pro-active role in enhancing the bilingual and multicultural nature of the National Capital Region.

Recommendation 7

THAT the NCC be mandated and given the authority to coordinate both inter-provincial transportation initiatives (bridges and public transit) and the federal government's transportation initiatives on both sides of the Ottawa River. This would ensure that citizens and visitors are able to circulate smoothly and easily throughout the area, but it would also constitute a key means for the implementation of the *Plan for Canada's Capital*.

Recommendation 8

THAT the NCC be directed to pay particular attention to the planning and stewardship of the core of the NCR.

Land stewardship role

The protection of the "Green Capital" lands elicited much attention, commentary, and passion throughout the Panel's consultations.

The Green Capital lands are central to the capital's long-term vision. The Green Capital concept was first expounded in the Frederick Todd plan of 1903. It is structured around three key components: Gatineau Park, the Greenbelt, and the urban lands. The stakeholders and the public want the symbolic significance of these lands to be recognized and enhanced as part of the continued evolution and development of the NCR.

The sort of recognition and enhancement proposed would ensure a greater appreciation and respect for this important asset of Canada's capital.

During the consultations, many people and a number of groups felt the long-term sustainability of the Green Capital lands, especially Gatineau Park and the Greenbelt, was at risk and strongly advocated some formal protection be bestowed on these lands. While many scenarios were put forward, the Panel is of the opinion that the NCC remains the best organization to act as steward of the Green Capital.

Amendments to the *National Capital Act* could put in place the necessary mechanisms for the long-term protection of Green Capital lands, including the recognition of their existence, their value, and the conditions that should underlie their stewardship.

The Panel believes also that the sustainability of Green Capital lands must be closely monitored by the NCC and be the subject of regular reporting.

The national interest status of the Green Capital lands and the other properties under the stewardship of the NCC has been recognized formally since the late 1980s, through the designation of the National Interest Land Mass (NILM), which was subject to the approval of the Treasury Board.

However, the exact nature of this NILM and of the process that underpinned its delineation has been shrouded in secrecy. This has been the subject of sharp criticisms recently and has raised numerous questions, including: *What criteria does it use to decide that certain lands in its portfolio do not meet these requirements, and thus constitute properties surplus to the needs of the capital? What should the NCC be allowed to do with so-called surplus lands?*



The Panel believes that, given the mandate of the NCC and its role as steward of the capital, the clear and rigorous determination of what the NILM is constitutes a key requirement.

The identification of the NILM's parameters is a sensitive issue. The designation process involves the relationships between these lands and the local communities that surround them. In 2007, an independent expert panel should review and determine the capital's long-term requirements for land. This should bring forth a revised NILM that would be subject to the approval of the federal government and Parliament, through an amendment to the *National Capital Act*.

The NILM will change as the capital evolves, and any such changes should be based on a strict set of criteria (such as no net loss) that might best be established after due attention is paid to the criteria used by the independent expert panel and to the expert panel's suggestions about the sort of approval required for NILM's revision.

Following the work of the independent external expert panel, some of the lands owned by the NCC or the federal government will likely be deemed not to belong to the NILM. In other words, these lands won't meet the criteria to qualify for real property required for the long-term needs of the capital. Recently, the NCC's designation of surplus lands has been controversial. Such decisions have at times been seen as arbitrary, and often were not clearly explained. This decision-making process was perceived as self-serving since surplus land could be sold to supplement the federal financial appropriations.

An independent expert panel could identify surplus lands. If so, the Panel proposes that this land be neither available for sale nor sold. Consequently, these lands should no longer be used to generate alternative revenues to compensate for funding deficits.

These surplus lands should be maintained as public property and should be made available to other levels of government.

Recommendation 9

THAT the environmental protection mandate of the NCC be strengthened, and its role as steward of the lands central to the vision of the Capital as a "Green Capital" be enhanced through a formal recognition of the Green Capital lands and of their value to the capital.

Recommendation 10

THAT the lands necessary to the long-term sustainability and evolution of the capital of Canada (that includes Gatineau Park, the Greenbelt, parks, green corridors, infrastructures, and other built properties in the urban area) known as the National Interest Land Mass (NILM), be formally reassessed in 2007 by an expert panel of independent persons under the supervision of an agency like the Royal Society of Canada. This process would involve public consultations.

Recommendation 11

THAT the definition of the NILM be incorporated in the *National Capital Act*, and that the NCC manage those areas of the NCR according to a Charter to be explicitly referred to in the Act. The intent of this Charter is to ensure that there shall be no net reduction in the size of each these areas, and that appropriate action will be undertaken to foster public understanding, appreciation and enjoyment of the areas while ensuring that the ecological and commemorative integrity of these places is protected. Such a Charter should not only be incorporated in the *National Capital Act*, but should include a full specification of the conditions under which the long-term preservation of the Green Capital Lands must be achieved, such as no net loss, appropriate consultations, and so on.

Recommendation 12

THAT any land owned by the NCC, and determined by the expert panel to be outside of the NILM, be no longer for sale. All such surplus lands should remain in public property, and should be used by the NCC creatively in swap operations with other levels of government – using a public, transparent and open process to determine how these lands should be



treated (in keeping with municipal official plans), imposing all the easements on the transferred land that it feels appropriate, and taking into account the policy and community needs. In all such arrangements that may involve private-public-social partnerships, appropriate compensation should always be ensured when there is land transfer.

NCC's role as steward of heritage buildings

Historically, the NCC has played a key role in identifying and preserving the federal heritage in the NCR. An important issue with the NCC's heritage activities is whether to designate classified and recognized federal heritage buildings as part of the Federal Heritage Buildings Review Office process.

During its consultations, the Panel has heard a strong call for the NCC to strengthen its role in heritage preservation. The focus of its effort should be in the capital core area, reflecting the priority identified in Recommendation 8. For heritage buildings located outside of the core, the NCC should pursue alternative stewardship arrangements, including the use of partnerships with other levels of government and the private and not-for-profit sectors.

Since the mid-1980s, the NCC has been steward of the Official Residences located in the NCR, and has done excellent work in ensuring their long-term preservation. The Panel believes that the NCC should continue to assume this important heritage stewardship function. It needs however to improve the coordination among the different stakeholders in the on-going management activities of the Official Residences.

The stewardship of the Parliamentary Precinct currently rests with PWGSC, in collaboration with the House of Commons, the Senate and the Library of Parliament. The Parliamentary Precinct is of high symbolic importance for the capital, so we need to ensure its long term preservation for it is of central importance for the capital, for Canada and Canadians.

Considering the NCC's demonstrated ability to act as steward of lands and buildings in the capital, its existing responsibilities for the architectural and external design of all heritage buildings, and its renewed and enhanced role as Capital Steward, the Panel proposes that the NCC be entrusted with the stewardship of the Parliamentary

Precinct. The NCC should also be provided with the necessary resources to assume this new responsibility, which would be bestowed upon it only after proper study, with a transition mechanism put in place and appropriate arrangements with the occupants.

Recommendation 13

THAT the NCC maintain an oversight responsibility for the protection and design of federal heritage buildings in the NCR. It should maintain full ownership and stewardship responsibilities for its heritage buildings in the core area, and pursue public-private-social partnerships (imposing all the appropriate easements) to ensure the protection of the heritage buildings that it currently owns outside the core area.

Recommendation 14

THAT the NCC maintain an oversight responsibility for the protection and design of the Parliamentary Precinct and Official Residences, and that it also acquire the formal responsibility for their upkeep and maintenance (for which it would have to be fully funded). In order to ensure the long-term preservation of these highly symbolic and important heritage buildings, which belong to all Canadians, the NCC should be empowered to require the collaboration of the tenants, whoever they are, to ensure the buildings' satisfactory upkeep.



Celebration, commemoration and promotion role

Through its coordination role in celebration, commemoration and promotion, the NCC is involved in a broad range of activities and programs. It is involved in national celebration and events (such as Canada Day, Winterlude), interpretation activities (such as those on Parliament Hill), national commemorations (such as those along the Confederation Boulevard), visitors' services (such as those offered through the Capital InfoCentre) and youth exchange programs.

Historically, the NCC has also provided financial and logistical support to regional programming and marketing activities such as the Tulip Festival, the Jazz Festival and marketing campaigns for the NCR with regional partners.

The NCC has a solid reputation for organizing quality celebrations, commemorations and promotion, which bolster its brand image with the regional community, and provide some national and international profile.

The NCC stakeholders and the public were very supportive of its programming coordination role during the Panel's consultations. They advocated a stronger involvement of the NCC in all that concerns the "animation and experience of the capital" to strengthen the NCR as a world-class destination.

The Panel supports this renewed orientation for the NCC in its celebration, commemoration and promotion role. However, the NCC should enhance its collaborative approach with partners, and clarify its exact role in the staging of events and activities in the NCR.

As its financial base has eroded, the NCC has limited and downplayed its role and possible contribution to national outreach activities. The Panel proposes that the NCC enhances its reach nationally, as part of its renewed mandate as the main instrument of the federal government to celebrate and promote the capital. Doing so would make the capital a true meeting place for Canadians, where Canadian culture is displayed. The capital should be a key intermediary in sharing of Canada's culture across the country, and between regions.

Recommendation 15

THAT the programming, commemoration and promotion mandate of the NCC be strengthened and renewed, in order to ensure that these activities contribute creatively and forcefully to the overall animation and experience of the capital. In the determination of its exact role in these events, celebrations and activities (as organizer, coordinator, or in a support role) the NCC should actively make use of partnerships with other federal agencies, other levels of government and the private and voluntary sectors.

Recommendation 16

THAT the NCC should extend its reach at the national level through a federal leadership role in the coordination of exchange programs, promotional campaigns and cultural initiatives, projects and events, with the intent of making the capital a premier cultural meeting place. The highest and best use of communication and information technologies would benefit the proposed exchange, promotional, and cultural activities.

REFURBISHED TOOL BOX

The NCC must create and maintain a world-class capital in collaboration with local and regional communities with their own cultures, identities and priorities. To do so requires first and foremost a sustained commitment and follow-through to coordinated collaboration and action.

The wide range of NCC activities demands effective coordination and skills to sustain fruitful relationships with the rest of the federal government, but also with other levels of government, the private and not-for-profit sectors, interest groups, and the public.

The stakeholders and the public support a strengthened leadership role for the NCC in the NCR. Through the coordination work of the NCC, the relationships within the mega-community of the capital could be consolidated and enhanced.

Over the years, several coordination mechanisms have been put in place to ensure a collaborative approach within the federal government, and with the municipalities in the NCR.



But this sporadic coordination has not always produced conclusive results. Furthermore, in the context of its own operations, the NCC has not successfully integrated coordination mechanisms that can ensure an on going and effective management of relationships with stakeholders and the public in all its lines of activity.

The Panel deems it essential that coordination within the federal government be improved to ensure that, in all matters relating to the capital, the federal government can speak with one voice. The Panel proposes a new governance mechanism to improve federal horizontal coordination. A Federal Council for the NCR would provide a forum for dialogue and *concertation* for the senior officials of the various federal departments and agencies operating in the NCR.

Although such an informal interactive forum would be independent from the NCC, the NCC could provide administrative and logistical support for the NCR Federal Council.

The Panel proposes establishing a consultative and collaborative committee bringing together, on a regular basis, senior officials from the NCC, the City of Ottawa, the City of Gatineau and the Municipalité régionale de comté des Collines-de-l'Outaouais. Doing so would improve coordination with other levels of government, and especially with the local and regional municipalities in the NCR, so that they can work together more closely to resolve difficult issues and to manage joint projects.

To improve operational relationships between the NCC and its partners, stakeholders, and the public, the Panel recommends a closer alignment between the advisory committees and the lines of activity of the NCC. The composition of the advisory committees, in terms of the balance between local and national members, should more closely match the competencies but also the sort of experience required by the committee members to ensure the optimal value of their advice to the NCC Board.

All meetings of the proposed advisory committees should be open to the public (excluding items with privileged information), and interaction with the public should enable the committees to integrate public input in the overall advice provided to the NCC Board.

Recommendation 17

THAT a new federal inter-departmental coordination mechanism, be it Federal Council for the NCR or some such instrument, be established to enhance the efficiency and effectiveness of all federal activities in the NCR. Although such an institution as a Federal Council would be independent of the NCC organizationally, the NCC should play a leadership role in its activities, and provide the necessary operational support.

Recommendation 18

THAT a municipal consultative committee (MCC) composed of seniors officials from the NCC, the City of Ottawa, the City of Gatineau, and the MRC des Collines-de-l'Outaouais be created, to meet quarterly, to act as a coordinating and problem-solving working group, and to report regularly to the Board.

Recommendation 19

THAT the NCC continue to work closely with its advisory committees, based on the four lines of activities identified herein (a) Planning, Design and Architecture, (b) Environmental and Asset Management, (c) Parliamentary Precinct, Official Residences and Heritage Buildings (d) Celebration, Commemoration and Promotion. The composition of these advisory committees would vary, subject to the expertise required, and would be a variable mix of national and local expertise. The advisory committees should hold public meetings at which open interaction with citizens of the NCR and beyond would be encouraged. The advisory committees would report to the NCC's Board. Should the Board not heed their advice, the Board be required to explain and justify such a position openly within ninety days.



NEW RULES

Along with the protection of the Green Capital lands, the governance of the NCC was the subject of much attention and commentary during the Panel's consultation. The NCC is clearly a unique federal institution, whose actions have deeply-felt ramifications throughout the NCR and its mega-community. Consequently, the NCC's governance apparatus must be aligned with the special requirements of the context of its operations.

As suggested in Bill C-2 (*the Federal Accountability Act*), recently passed by Parliament, the positions of the Chair of the Board and Chief Executive Officer are to be separated. (They were joined together in the *National Capital Act*). There are two fundamental reasons for this separation. First, the Chair and the CEO have fundamentally different responsibilities: the Chair focuses on overall vision and policy orientations, while the CEO implements policies through the on-going operations. Second, the Chair of the Board and the Board itself are put in place to monitor, overview and redirect the work of the CEO when necessary. The separation of the two functions has currently become universally accepted as the basis for good governance in both the public and private sectors.

Because of the strategic importance of these two positions, special care must be taken in the nominating process. The appointee for the Chair position should have a sufficiently important national stature that he or she can champion the Capital in the rest of the country and embody the basic mission of the federal capital.

Normally, in most organisations, the CEO is appointed by the Board, and is chosen for particular competencies and capacities. This is not the case for the NCC where the CEO is appointed by Order in Council. Before appointing the CEO, it is imperative that the Chair and the Board be consulted, because there is a fundamental need to ensure the appropriate philosophical and competency fit between the Chair, the Board policies, and the operational conditions to implement these policies.

The NCC, like most other Crown corporations, has held its meetings behind closed doors. Over the years, this closed-door approach to decision-making has led to sharp attacks over its lack of transparency and to a forceful demand for more openness. A significant majority of those who appeared before the Panel called for open NCC meetings.

All future NCC Board meetings should be accessible to anyone interested in attending. Matters dealing with each of the four lines of activity should be debated by an advisory committee, and these committees should have open meetings with full public interaction, further to recommendation 19. Given this, and given that the NCC needs to conduct its business effectively, the Panel recommends that the Board meetings be deliberative only, with the public observing.

The advisory committees would be more engaged in the decision-making process through a direct public participation. Given the proposed renewal of these committees, it is recommended that the chairs of the four proposed committees also be members of the Board. This would ensure a clear liaison between the input provided by the public at the committee level, and the Board's deliberations and decisions. The competencies of Board members must be closely aligned with the different lines of activities of the NCC. The need for local and national representation should also be taken into account.

The nominating process for Board members should reflect this multiple focus: on the need for broad and complementary competencies to deal with the complex mandate of the NCC, on the need for specific skills and experience in the members of the Board also charged with the chairmanship of an advisory committee, and on the need to balance local and national representation.

Recommendation 20

THAT there be a separation of responsibilities and position holders between the Chair of the Board and the CEO, and that the nature of the relationships between these two roles be clarified. The Chair and the Board members should be consulted prior to the appointment of the CEO by the federal government.

Recommendation 21

THAT the NCC Board hold at least four meetings per year. The meetings of the Board should be open to the public, to the extent that the agenda items allow it (but human resources issues and the like would be dealt "in camera"). The Board meetings should be deliberative only, with the public attending as observers.



Recommendation 22

THAT the Chair of the Board be a Canadian of significant national stature who will bring to the position an immense amount of moral authority and prestige, for the benefit of promoting the Capital, and to act as its champion.

Recommendation 23

THAT the Board be composed of up to 15 members: five from the NCR (three from Ontario, two from Quebec); four from other regions of the country; and the chairs of the different advisory committees. There are at this time four proposed standing advisory committees (Advisory Committee on Planning, Design and Architecture; Advisory Committee on Environmental and Asset Management; Advisory Committee on the Parliamentary Precinct, Official Residences, and Heritage Buildings, and Advisory Committee on Celebration, Commemoration and Promotion). Thus, the total number of members of the Board would stand at 13, including the Chair and the Vice-Chair. However, there should be provision for the modification of these committees, or creation of new committees, as deemed necessary by the Board, up to a maximum of 6 standing committees at any one time. At the time of the abolition of an advisory committee, the chair would cease to be a Board member.

Recommendation 24

THAT the Board members (including the chairs of the Advisory Committees) be appointed by Order in Council, taking into account the need to maintain a membership of the highest quality, the broad balance of expertise required by the Board, and the outstanding specific expertise required from the particular board members called upon to act as Chair of advisory committees. The members of the advisory committees (except for the chair) would be appointed by the Board, after consultation with the Committee Chair, with due regard being given to the fact that some of these committees call for a more local or more national composition.

FUNDING

The NCC's financially precarious situation in recent years has been the source of many of the problems that have plagued the organization, such as the need to use the sale of land to fund its capital projects. It has also been a significant impediment to its ability to deliver successfully on the fulfilment of its mandate.

Given the NCC's important contribution to the planning, stewardship and celebration of the capital, the impact on the NCC of the many reductions in its budget over the last decade or so, the lack of indexation of a major portion of its operating budget for quite a long time, and the fundamental importance of the capital, both as a national symbol and a reference point for Canadians, it has become clear to the Panel that a significant gap exists between the basic funding made available to the NCC, and what it requires to do its job properly.

The Panel is proposing that the federal government align the financial appropriations of the NCC with the renewed and expanded mandate that is proposed in the previous recommendations.

The required increase in federal financial appropriations must correct the structural funding gap identified in the course of the Panel's work. It must also factor in the need to maintain in the future an alignment between mandate and funding, especially as additional responsibilities are given to the NCC, as suggested in this report.

The direct contribution by users of NCC services and facilities, the expansion of the use of partnerships, and the potential role of Canadians (through donations and the like) in funding the on-going creation and beautification of their national capital, are suggested as possible alternative sources of revenue worth exploring.



Recommendation 25

THAT a significant additional financial appropriation be made available to the NCC in the form of a capital and operational budget so that it can afford to deal with the necessary maintenance of the infrastructures for which it is responsible at this time, and finance the level of activities in keeping with its mandate. These new financial appropriations would eliminate the need to sell land for such purposes. It should be clear that if additional responsibilities were to be added to those already shouldered by the NCC (Parliamentary Precinct, future bridges, and the like) this sum would have to be adjusted upward. To the best of our estimations, the existing annual financial gap between the financial appropriations and the financial resources required by the current mandate are approximately \$25 million per year.

Recommendation 26

THAT the additional funding proposed in Recommendation 25 constitutes an important and crucial adjustment to ensure that the mandate of the NCC, and the funding associated with it, are given the required alignment. In the future, commitment by the federal government to additional adjustments to the NCC budget will be essential, in order to keep it in line with inflation, and attuned to the special needs of the capital as its needs evolve. This is especially important given the new responsibilities that the Panel recommends for the NCC.

Recommendation 27

THAT the NCC be urged to actively explore all possible ways to increase its revenues through users fees, rentals, fines and the like, while keeping in mind that its decisions should not be exclusively determined by an objective of revenue maximization. Social, civic, and public uses of facilities may at times demand that other than commercial values prevail. However, it should also be clear that in the case of many of the activities in which the NCC is involved, it is unwarranted that users and beneficiaries not be required to contribute in a manner that is commensurate with what they are willing and able to

pay for similar services elsewhere. Amendments to the NCA will be required to make the generation of some of these revenues possible.

Recommendation 28

THAT the NCC actively explore alternative ways to secure financial support to contribute to the on-going creation and beautification of Canada's Capital. The use of public-private-social partnerships constitutes one such alternative approach that has successfully been used by the NCC in the past, and such initiatives should continue to be strongly encouraged in the future. Another possibility is to involve Canadians from across the country in the realization of the NCC mandate. For instance, the development of a Canadiana Foundation (designed to broaden and enhance the mandate of the existing Canadiana Fund) to promote and foster Canadians' contributions to the on-going creation and beautification of the Capital is worth further exploration.

A NEW CULTURE OF CONSENSUS

The NCC is much more than an instrument of planning, stewardship and celebration. It engages and mobilizes Canadians from all over the country, as well as the local population, in celebrating and beautifying the capital. This perspective of the mandate of the NCC is well recognized and shared in the NCR.

Over time, the NCC has acquired a great deal of expertise and a very dedicated staff, but there has been much misunderstanding, and some misalignment among the different partners. This has resulted in a co-governance that has not been as successful as it might have been.

The way the NCC has managed the many relationships underlying the conduct of its different activities has been the object of a great deal of criticism during the Panel's consultations. It is clearly a sore point with the capital mega-community that must be addressed and fixed. The Panel believes that nothing less than a cultural change is necessary if trust and collaboration are going to be restored in the relationships between the NCC and the



capital mega-community, especially if the NCC is to deliver on its renewed mandate as proposed by the Panel. The vestiges of a culture of secrecy should be eliminated, and a new form of co-governance will need to be built on a new consensus.

This sort of cultural transformation will take time. One cannot transform the worldview of an organization, its appreciative system, and its mindset in a matter of weeks or months. But very clear signals should be given immediately that “business-as-usual” is not acceptable. Other organizations have been able, through strategic staffing actions, strategic new forums and fail-safe functions, to put in place the winning conditions for such transformations.

The Panel has made a few suggestions to launch the process of cultural change.

A recommended strategic staffing action would entail the creation of a new position of Associate CEO. This person would be charged with the responsibility of putting in place the ways and means necessary to bring about this cultural transformation in the way the NCC manages its relationships with the mega-community of Canada’s capital. The Associate CEO would also manage the involvement of the NCC in the Federal Council (or similar organization) as proposed in Recommendation 17, and the activities of the inter-governmental committee (MCC) proposed in recommendation 18.

The Associate CEO must have the authority to interact at the most senior level both within and outside the federal household. Given the crucial nature of this position in the next phase of development of the NCC, the government may wish to consider the possibility of filling this position by Order in Council with a person who would have a particularly good knowledge of these networks.

A recommended new forum might be the creation of a special setting where broad long-term plans will be aired and discussed with the whole mega-community. Such events will recur at regular times and allow the whole mega-community to have a substantially different input than what may occur at regular Board meetings. The experience of Parks Canada with such a mechanism has proved extremely successful and may be a good model for the NCC.

A recommended fail-safe mechanism might be the creation of a genuine and powerful Ombudsman position to deal with both internal and external complaints. Given the large number of irritants that the Panel has become aware of (many of which appeared to be resolvable rather easily but had been allowed to drag on for very long periods) there is a need for a place where problem resolution must occur.

An Ombudsman would do much to ensure that such eventualities are dealt with speedily and fairly.

These are only a few examples of what could be done.

Recommendation 29

THAT the management of the multiplex relationships between the NCC, its partners and the public, be given the utmost attention and the highest priority in the on-going activities of the NCC. To do this, a new position of Associate CEO should be created, with the central responsibility to ensure that an integrated approach to inter-departmental, inter-governmental, media, and community relations is established, implemented and adhered to by all parts and lines of activity of the NCC.



Recommendation 30

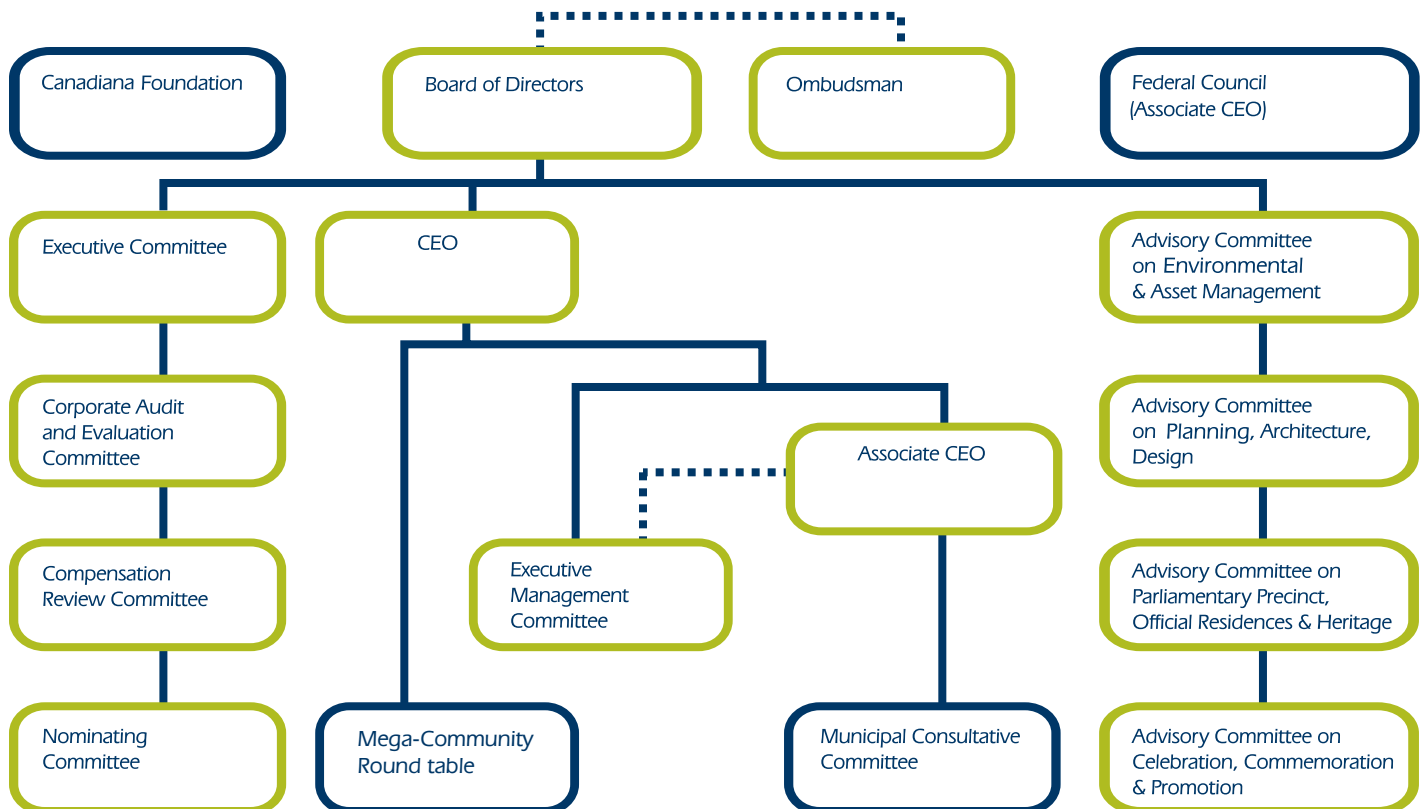
THAT a two-day roundtable of all relevant stakeholders (the mega-community of Canada’s capital) be organized two years after this mandate review of the NCC (similar to the current practice at Parks Canada) and every five years thereafter, to ensure that the evolving plans and activities are discussed and critically appraised by all those with a stake in them. This extended open forum (using all the powers of the new technology to reach out to all the parties involved) should be under the chairmanship of the CEO, and should involve NCC staff and members of the Board.

Recommendation 31

THAT a significantly enhanced Ombudsman position be created in the context of the renewal and transformation of the relationships between the NCC and the mega-community of Canada’s capital. This person would be appointed by the Board, and would report directly to it. The Ombudsman would receive all internal and external complaints, give a voice to the people and groups who do not feel well treated by the NCC, help contribute to the resolution of problems and conflicts and play a dispute settlement role. The Board would have a final say in matters that have failed to be suitably resolved by the mechanisms in place.

In order to give the reader a clear view of what the governance regime of the new NCC could look like, a simple organizational chart is provided.

Proposed National Capital Commission Organizational Chart



Afterword

The work of any mandate review panel is, first, to assess the usefulness and fitness of the organization under review for the tasks assigned to it, given the new circumstances. And, second, to determine what the organization should do, and how it should finance and govern itself, if it is felt that such an organization is still needed.

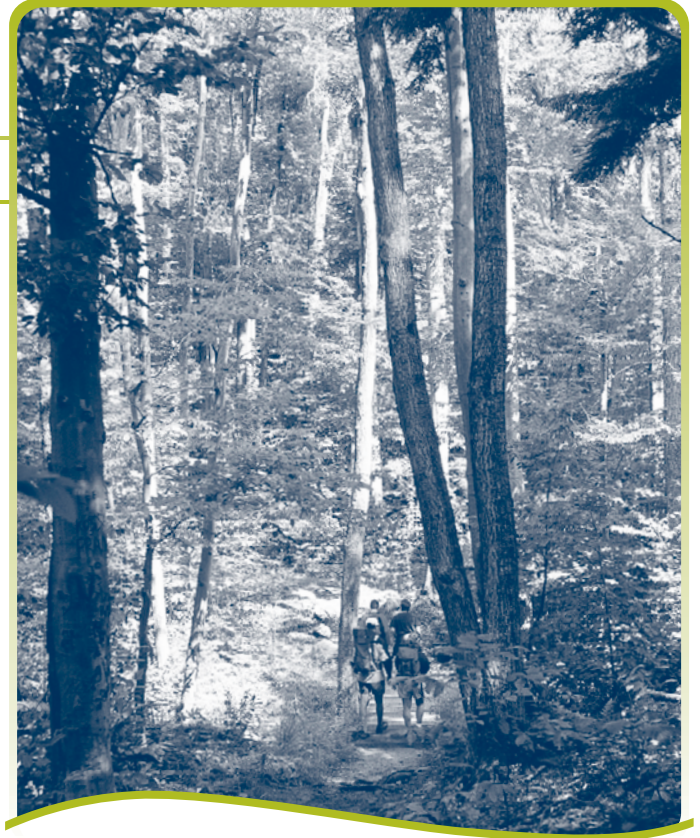
Following its studies and consultations, the Panel has come to the conclusion that there is a need for a capital oversight agency in the NCR, but that its status, focus of activities, tool box, governance, funding and culture should be modified.

The Panel has made a number of suggestions to indicate the directions for such change.

These changes form a whole. Tinkering with any one aspect without recognizing the need for remedies elsewhere may simply not generate the transformation that the Panel submits is required.

The Panel is conscious that one cannot mandate behaviour. Consequently, we have not fully developed the case for cultural change and the strategies that are required to do it, at least not as fully as such matters deserve. This is for the new governors to address. Consequently it is crucial that the new team running the NCC be chosen with the fundamental need for cultural change uppermost in mind.

The Panel asserts that the changes proposed in this report would make the new NCC more effective and efficient than the former NCC. It also submits that the actions recommended are technically feasible, socially acceptable, “implementable” with the collaboration of partners, and not too politically destabilizing. Canada’s capital deserves these changes, and they should be made as soon as possible.



Annex I to V





Terms of reference

I. Introduction/Background

When the NCC was established in 1959 the focus of its mandate was to develop, conserve and improve the National Capital Region to reflect its national significance as the seat of the Government of Canada. The current National Capital Act dates to 1988 when the NCC's mandate was broadened to give the NCC responsibility to organize, sponsor and promote public activities and events in the National Capital Region to enrich the cultural and social fabric of Canada.

The NCC has contributed greatly to making the Capital and the National Capital Region into one of the most beautiful capitals in the world. It has improved the quality of life of the citizens of the region, given millions of Canadians a better appreciation of their country and helped create a favourable image of Canada abroad.

On occasion, as challenges facing the NCC have evolved over the years, it has become the subject of criticism for such issues as: the secrecy of its Board meetings, its disposal and development initiatives; and, the boundaries and use of both Gatineau Park and the Greenbelt. It has been more than 20 years since the National Capital Commission's mandate has been reviewed and it is appropriate that the mandate be assessed now given current requirements and expectations, as well as trends for the future.

II. Purpose of the Mandate Review

The purpose of the Mandate Review is to fundamentally assess the continuing relevance of the National Capital Commission. In doing so, the NCC Mandate Review will:

- Assess the continuing public policy purpose of the NCC;
- Review the purpose and activities of the NCC;
- Identify/propose those activities that should continue or be provided differently;
- Conduct an analysis of the cost-effectiveness of the NCC; and
- Identify options and/or alternatives for the NCC's future.

III. Principles

The following principles should guide the Panel in the conduct of its Review:

- Canada's Capital Region is for all Canadians;
- All Canadians and in particular, local residents should feel a sense of pride and connection to their Capital Region; and,
- Canada's Capital Region, on both sides of the Ottawa River, should reflect the diversity, beauty, creativity and values of the country and its people and should be safeguarded and preserved for future generations.

IV. Scope

The Mandate Review will concentrate its efforts on the following questions:

Assessment of NCC's Functions

- What is and what should be the public policy purpose of the NCC?;
- What functions and programs does the NCC currently provide and should these be modified, relinquished or added to? Should alternative delivery mechanisms be considered? What, if any, is the overlap with other federal organizations or other levels of government?; and,
- What is an appropriate role for stakeholders (Canadians, municipalities, local residents, other federal government organizations) in these functions and programs?

Funding and Cost of Operations

- Does the NCC provide cost effective delivery of its functions and programs? Is the NCC providing value for money?; and,
- How should the NCC be funded in order to meet its mandate?

Governance

- What governance structure would best allow the NCC to fill its mandate and public policy purpose into the future?;
- What knowledge and experience should the governing body of the NCC have in order to best meet its mandate?; and,
- What are appropriate comparisons or benchmarks elsewhere in Canada or in other countries (such as the National Capital Planning Commission in Washington, D.C.)?

V. Process

The Minister should consult/inform the NCC Board of Directors on the Terms of Reference for the Mandate Review. Board of Directors support will be critical for the success of the review.

An independent, part-time, multi-person Mandate Review Panel will be convened. The Panel will be chaired by one of its members. The Minister responsible for the NCC will select the Chair. The Panel will report directly to the Minister.

Panel members should have knowledge/experience in various relevant disciplines such as governance, urban planning, environment/sustainability and/or finance. Additional expert resources will be contracted as required.

The Panel will consult widely among all relevant stakeholders inside and outside of government. Public input to the Review will be sought.

The Panel will prepare a report to the Minister and it will be a public document.

A small full-time Secretariat will be established to support the Panel's work and to provide project and contract management expertise on financial matters.

VI. Reporting and Timing

The Panel will prepare a report for the Minister responsible for the NCC that includes its assessment of the continuing relevance of the Commission's role as a Crown corporation and proposes options and/or alternatives for the future of the NCC.

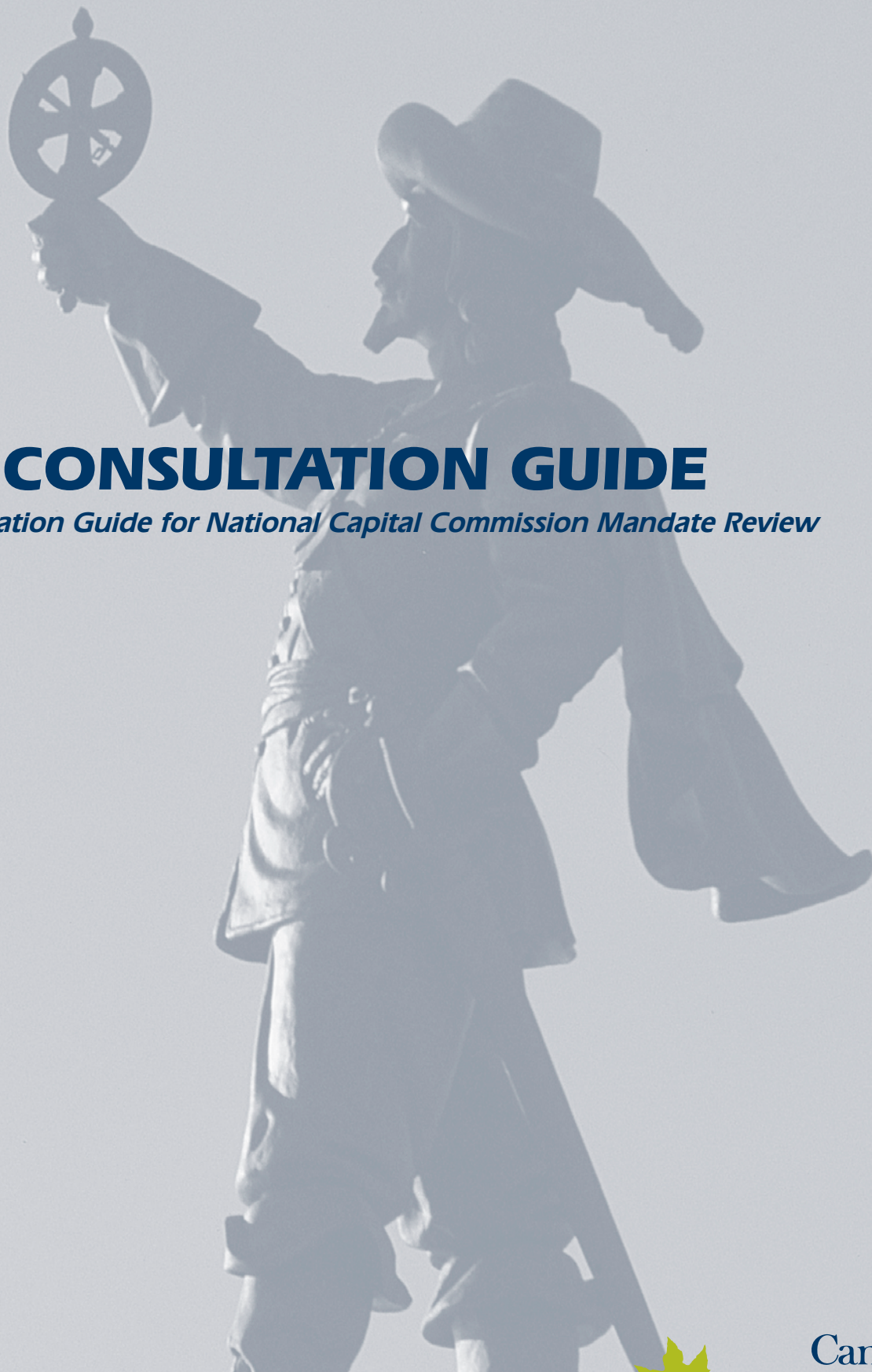
The Panel will submit its report to the Minister by December 2006.





CONSULTATION GUIDE

Consultation Guide for National Capital Commission Mandate Review





Consultation guide

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Consultation guide

Consultation Guide for the National Capital Commission Mandate Review

Introduction

On August 2, 2006, the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities and Minister responsible for the National Capital Commission (NCC) announced the creation of an independent panel to review the mandate of the Crown corporation to ensure that it is relevant to the government's objectives and to today's realities.

The three people appointed to this Mandate Review have a long history in the National Capital Region. Gilles Paquet, Chairman of the Panel, along with Guy Benoit and Barbara L. Farber, the members of the Panel, together bring considerable experience in governance, urban issues, sustainability and business from both sides of the Ottawa River.

Message from the NCC Mandate Review Panel

The National Capital Commission — the NCC — was created in 1959 to develop, conserve and improve the National Capital Region in order to reflect its importance for all Canadians. For nearly half a century, it has contributed significantly to making this one of the most beautiful places in the world and has improved the quality of life of residents of the region. In addition, since 1988, it has been organizing, sponsoring and promoting public activities and events that enrich our cultural lives.

It has been more than 20 years since the National Capital Commission's mandate has been reviewed and the time has now come to assess the commission based on the immediate and future requirements of the National Capital Region and the needs of Canadians.

There have been some questions raised about the governance, funding and mandate of the NCC. In order to address these questions, we need a thoughtful, informed and balanced discussion based on the input of key stakeholders. This will help determine how the achievements of the last 50 years can be built upon and further enhanced.

Our goal as a Panel is to make recommendations on the future of the NCC. To formalize these recommendations, we invite you to take part in our consultation process in order to help us identify challenges, possible solutions and best practices to be followed.

Guy Benoit Panel Member

Gilles Paquet Panel Chairman

Barbara L. Farber Panel Member

Purpose of the mandate review

The purpose of the Mandate Review is to fundamentally assess the continuing relevance of the National Capital Commission. In doing so, the NCC Mandate Review will:

- Review the activities of the NCC and identify/propose those activities that should continue or be provided differently and those that should be added or eliminated;
- Conduct an analysis of funding options for the NCC; and
- Identify options and/or alternatives for the NCC's future.

Context

The three-member Panel has been tasked with reviewing the various business lines of the Crown corporation as well as its funding challenges and how the organization is governed.

Below is a snapshot of the current NCC context:

I. Mandate

The *National Capital Act* of 1958, amended in 1988, directs the NCC:

- to prepare plans for and to assist in the development, conservation and improvement of the National Capital Region (NCR) in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance; and
- to organize, sponsor or promote such public activities and events in the NCR as will enrich the cultural and social fabric of Canada, taking into account the federal character of Canada, the equality of status of the official languages of Canada and the heritage of the people of Canada.

The NCC's mandate includes: coordinating the policies and programs of the Government of Canada respecting the organization, sponsorship or promotion by federal departments of public activities and events related to the NCR; and approving the design of buildings and land use, as well as any changes in use relating to federal lands in the NCR.

Functions and Activities of the NCC

Animating and Programming the Capital Region

This sector's products include events and public programming (notably Canada Day, Winterlude, the Sound and Light Show), interpretation and youth programs, as well as marketing and communications campaigns to deliver the Capital message to Canadians.

Planning the National Capital Region

This sector's products include long-range visionary plans to guide policies for ownership, use and development of federal lands. It also prepares area and site plans, transportation studies and plans, concepts and guidelines to shape the development of specific areas within the Capital, and land-use and design approvals for all federal lands in the region.





Real Estate and Land Management and Development

The NCC is the largest landowner in the region and is responsible for the management and maintenance of Gatineau Park, the Greenbelt, capital pathways and parkways and a large portfolio of urban lands and parks. The NCC is also responsible for the management of commercial and residential properties within its portfolio. This sector is responsible for generating a stream of revenues from these assets (through leases, disposals and development initiatives), to complement federal appropriations in support of the NCC's work.

Preservation and Protection of Heritage and Capital Treasures

The NCC manages and protects heritage assets of national significance — for example, the official residences, the grounds of Parliament Hill, Rideau Hall and the Mackenzie King Estate. The NCC reviews all proposals for work or alterations to federal heritage buildings and sites through its federal land use and design approvals process and manages close to 50 designated heritage buildings in the Capital region (some of which are national historic sites and monuments).

II. Funding

Funding Model

To fund its operating requirements, the NCC relies on parliamentary appropriations and revenues in a proportion of approximately 2:1. Revenues are derived primarily from rental operations and easements related to its real asset portfolio, and other fees and recoveries associated with public use of its properties and facilities.

Capital asset rehabilitation and development are funded through capital appropriations as well as the proceeds from the sale of surplus properties. These proceeds are used to acquire properties of national significance and to complement government funding for reinvestment in NCC capital assets.

Funding Challenges

The NCC faces the ongoing challenge of safeguarding and preserving its large asset base at an appropriate level, while at the same time continuing to deliver a range of programs to Canadians. To succeed, the NCC must persist in striving for greater efficiency in all its activities, and particularly in the resource-intensive area of asset management. At the same time, it must identify new sources of permanent funding to address urgent maintenance, rehabilitation and repairs related to health and safety. Specific funding challenges include: land and property maintenance, asset rehabilitation, and environmental clean-up.

III. Governance and Organization

Crown Corporation Status

As a Crown corporation, the NCC is subject to the accountability regime set out in Part X of the *Financial Administration Act*, which makes it responsible to Parliament but also gives it the independence needed to guide the development of federal lands in the Capital over the long term, the flexibility to harmonize its plans with those of other levels of government in the region, and the power to enter into productive partnerships to achieve its objectives. Like most Crown corporations, the NCC is subject to the *Access to Information Act* and *Privacy Act*; however, it is also subject to *Government Contracts Regulations*.

Organization

The NCC is governed by a national board of directors (the Commission) and it reports to Parliament through the Minister of Transport, Infrastructure and Communities.

The board of directors (the Commission), as the NCC's governing body, sits at the apex of the organization. The NCC Chairperson heads the board and also serves as the Chief Executive Officer (CEO). The Executive Vice-President and Chief Operating Officer (COO) reports to the Chairperson/CEO, sets operational and management objectives and oversees day-to-day operations. The Chairperson, COO and all senior executives meet weekly to review new projects and ongoing work and to translate the strategic decisions of the Commission into action at the operational level.

The Commission is made up of 15 members:

- Chairperson;
- Vice-Chairperson;
- Five members from the Capital region; and,
- Eight members from other regions of Canada

Board Responsibilities

Either in full session or through the work of various corporate committees, the board is responsible for:

- reviewing corporate plans and budgets;
- reviewing annual reports and financial statements;
- advising on issues, policies and strategies; and,
- approving projects, transactions and action plans.

Corporate Committees

Members of the Commission (the NCC's board of directors) contribute to management through the work of several corporate committees:

- Executive Committee;
- Corporate Audit and Evaluation Committee;
- Compensation Review Committee; and,
- Nominating Committee.

Advisory Committees

The NCC acquires **national perspective and professional breadth** through the operation of several advisory committees with members recruited from among recognized experts in Canada's professional, academic and business communities. These advisory committees make recommendations and provide technical guidance to the NCC and other federal agencies in the Capital.

Advisory Committee on Communications, Marketing and Programming (ACCMAP)

Advisory Committee on Planning, Design and Realty (ACPDR)

Advisory Committee on the Official Residences of Canada (ACORC)

The Canadiana Fund
Public Accountability

The NCC has in place a number of mechanisms for public input, including an annual general meeting that is open to the public, regular meetings of the Commission with community interest groups, media briefings, and public consultations on major initiatives. As well, the NCC chairs a tripartite committee with the mayors of Ottawa and Gatineau where issues and initiatives of common interest are discussed.

Validating issues and consulting

On occasion, as challenges facing the NCC have evolved over the years, it has become the subject of criticism for such issues as: the secrecy of its Board meetings, its disposal and development initiatives; and, the boundaries and use of both Gatineau Park and the Greenbelt.

In addition to seeking input from residents of the region and from Canadians across the country, the Panel will consult the current Board of the NCC, as well as key stakeholders and interest groups, along with other government departments and local municipalities in order to validate the issues and to explore options.

Based upon these consultations, the Panel will analyze the information given to them and prepare recommendations which will be submitted in a report to the Minister of Transport, Infrastructure and Communities by the end of December 2006.

Consultation questions

This list of questions is intended to help focus the attention of stakeholders on key issues the Panel is exploring.





I. NCC's Functions and Activities

Long-range planning, special events and program delivery, land and real estate management, heritage protection

- What do you think about the NCC's role in planning, programming and maintaining and developing the Capital?
- Should the functions and programs that the NCC currently provides be modified, relinquished or expanded? Should alternative delivery mechanisms be considered?

II. Funding

How the NCC finances its operations including its various sources of funding and methods of generating revenue

- How should the NCC be funded in order to meet its mandate?
- Should the NCC be given additional appropriations in order to continue to maintain the Capital and its assets? Should it maintain the authority to sell land that has neither a capital function nor is of national interest?

III. Governance

How decisions are made, how power is exercised, and how citizens are given a voice

- What governance structure would best allow the NCC to fulfill its mandate and ensure accountability, transparency and sound management?
- What is an appropriate role for stakeholders (Canadians, municipalities, local residents, other federal government organizations) in these functions and programs?

Have your say!

There are several ways for Canadians to provide input and participate in the review of the mandate of the NCC. Share your views, recommendations or concerns with us.

Public consultations

The panel will be conducting consultation sessions, to be held in the National Capital Region in November, for those who wish to make a public presentation. **Participants must register and submit a brief in advance.**

Individuals or groups who wish to present a submission at the public consultation sessions must register by **October 16, 2006** and provide their submissions by **October 27, 2006** in order to be placed on the list of participants.

The registration form is available on the website www.ncc-mandate.ca or by contacting the NCC Mandate Review Secretariat at nccmandate@tc.gc.ca or (819) 934-9533 (outside the National Capital Region: 1 866 934-9533).

Submissions

In addition to the public meetings, those wishing to provide their input in writing only are invited to submit comments and/or a brief regarding the functions, governance and funding of the NCC to the Panel. These briefs may be submitted until November 15, 2006.

A submission may consist of brief statements, comments or more elaborate analyses and reports. The recommended format is a typed document, in English or in French, prefaced by a brief summary of the content (approximately 200 words). It is expected that submissions will not exceed ten pages. All submissions must respect the **Code of Conduct**.

The panel is requesting that submissions address **only** the three areas of focus (NCC functions, funding options, governance) and that they make specific reference to the questions identified above.

Please note that the Secretariat may post submissions on the NCC Mandate Review website. All submissions will be screened prior to being posted. Any submission that contains sensitive information or fails to follow the guidelines provided in the Code of Conduct will not be posted.

Code of conduct

Participants are asked to conform to the Code of Conduct outlined below.

Submissions must *not* contain any of the following:

- Profane or abusive language;
- Statements that abuse or defame others, or in any way infringe on the rights of others;
- Statements that are hateful or racially offensive;
- Statements that encourage criminal conduct or that violate any law;
- Advertising of any kind; and,
- Your commitment to these guidelines ensures a positive experience for all.

How to submit a brief

To make a submission to the Panel, please select **one** of the three options below.

Please include the following contact information:

- Name
- Organization
- Title
- Telephone number
- E-mail

Personal information provided is protected under the provisions of the Privacy Act.

Please include a summary of the content of your submission (approximately 200 words).

Provide your feedback via email – ideally in a document format using MS Word. Attach your document to the email and send it to nccmandate@tc.gc.ca.

OR

Submit your document electronically on the NCC Mandate Review website at www.nccmandate.ca.

OR

Forward your paper copy submission to the NCC Mandate Review Secretariat at the address below.

Information

For more information on how to participate, contact the NCC Mandate Review Secretariat at (819) 934-9533 or 1 866 934-9533 or nccmandate@tc.gc.ca or visit our website www.nccmandate.ca

NCC Mandate Review

Tower C, Place de Ville
330 Sparks Street,
Ottawa, Ontario
K1A 0N5

FAX: (819) 934-9541





List of consultations

Organizations and individuals who participated in the consultation process led by the NCC Mandate Review Panel (in alphabetical order)

Action Chelsea for the Respect of the Environment

Alison Woodley, Director

AI Crosby

Australian Government, National Capital Authority

Annabelle Pegrum, Chief Executive

Just Food

Mathieu Blanchard & Moe Garahan

Amy Kempster

The Honourable Anne Anne C. Cools, Senator

Art Campbell

Aurora Redford

Ben Novak

Biosphere Forum Biosphère

Elaine Isabelle, Chair

BOMA (Building Owners and Managers Association)

Michael S. Polowin

Canadian Hard of Hearing Association

Michel David, President

Canadian Heritage

Judith LaRocque, Deputy Minister and staff

Canadian Museum of Civilization

Victor Rabinovitch, President & CEO

CPAWS (Canadian Parks and Wilderness Society)

Muriel Howe

Carlos Lee Murray

Carol Macleod & Robert Brocklebank

City of Gatineau

Committee of elected members

Marc Bureau, Mayor

Denise Laferrière, Advisor, district of Hull

Patrice Martin, Advisor, district of Wright-de-la-Montagne

Denis Tassé, Advisor, district of des Riverains

City of Ottawa

Bob Chiarelli, Mayor

Comité consultatif sur les services en français

Caroline Andrew, Co-Chair

Louise Albert, Co-Chair

Clerk of the House of Commons, Clerk of the Senate and Parliamentary Librarian

Audrey O'Brien

Paul C. Bélisle

William R. Young

The Coalition for NCC Renewal

Sol Shuster, President

Erwin Dreesen, Resource person

Action Chelsea for the Respect of the Environment (ACRE),

Gary Donaldson

Alliance to Save our Greenbelt, Al Speyers

Aylmer Coalition of Community Associations, Michael Trottier

Canadian Park and Wilderness Society (CPAWS), Muriel Howe

Coalition pour la sauvegarde du parc de la Gatineau,

Renald Mailhot

Conseil régional de l'environnement et du développement de

l'Outaouais (CREDDO), Nicole DesRoches

Ecowatch, Ian Huggett

Federation of Community Associations of Ottawa,

Mike Mack

Greenspace Alliance of Canada's Capital, Amy Kempster

New Woodlands Preservation League, Jean-Paul Murray

Ottawa Fields Naturalists Club, Stan Rosenbaum

Save our Greenspace, Cheryl Doran

Sierra Club of Canada, Stephen Hazell

David Gordon, Professor, Queen's University

D. Desmond Nolan**Denis Desautels**, former Auditor General of Canada**Diane Emmerson****Dianne Cox****Dorin Petriu****Douglas Hodgson****Douglas Ryan****Edgar Gallant**, former NCC President**Federation of Canadian Municipalities**

James Knight, CEO

Friends of the Mer Bleue

Edwin Morton

Friends of Gatineau ParkJoAnn Gagnon, President
Shawn Graham**Friends of the O-Train**

David Gladstone, Chair

Georges Gratton, former Director General of the STO**Heritage Ottawa**David B. Flemming, President
Gouhar Shemdin**Jackie Holzman**, former City of Ottawa Mayor**Jacques Demers****James McCaffrey****Jean Pigott**, former NCC President**Jevone Nicholas****The Honourable Jim Watson**, MPP Ottawa West-Nepean**John Hoyles**, former NCC Director General**John Leaning****John H. Taylor**, Professor, Carleton University**Joseph S. Stanford****Kanata Soccer Club**

Andrew Pope, Vice-President

Kingsmere Property Owners Association

Hélène Couture MacTavish, President

LeBreton Flats / Bayview Yards Housing Task Force

Aileen Leo, Chairperson

MRC des Collines

Marc Carrière, Reeve of MRC des Collines and Mayor of Val-des-Monts

Jean Perras, Mayor of Chelsea

Steve Harris, Mayor of Cantley

Robert Bussière, Mayor of La Pêche

Roger Lafamme, Mayor of Notre-Dame-de-la-Salette

Denis St-Jean, Director of Public Security

Ghislain Poulin, Director General and Secretary-Treasurer

Marc Brûlé**Marcel C. Ernst****Marcel Proulx**, MP Hull-Aylmer**Mauril Bélanger**, MP Ottawa-Vanier**Municipality of Chelsea**

Jean Perras, Mayor





NCC – Advisory Committee on Planning, Design and Realty (ACPDR)

Larry Beasley, Vancouver, British Columbia
 Claude Provencher, Montreal, Quebec
 Lawrence R. Paterson, Calgary, Alberta
 Paul J. Bedford, Toronto, Ontario
 Donald Schmitt, Toronto, Ontario
 Marc Letellier, Quebec, Quebec

NCC – Advisory Committee on Communications, Marketing and Programming (ACCMAP)

Duncan McKie, Toronto, Ontario
 Raj Nigam, Edmonton, Alberta
 Pauline Rafferty, Victoria, British Columbia
 Kevin M. Shea, Toronto, Ontario

NCC – Advisory Committee on Official Residences of Canada (ACORC)

Edna Hall, St. John's, Newfoundland
 Daniel Brisset, Montreal, Quebec
 Patrick Murray, Ottawa, Ontario
 Jean-François Sauv , Montreal, Quebec

NCC – Board of Directors

Marcel Beaudry, Gatineau, Quebec
 Heather Chiasson, Ottawa, Ontario
 Jagtar Bains, Victoria, British Columbia
 Jacques Carri re, Aylmer, Quebec
 Claudia Chowaniec, Ottawa, Ontario
 Harry Thomas Doyle, Lower Coverdale, New Brunswick
 Allison A. Fisher, Ottawa, Ontario
 Anne Elizabeth Fry, Edmonton, Alberta
 Robert D. Guibord, Ottawa, Ontario
 Michael Kusner, Markham, Ontario
 Marcel D. Legault, Vaudreuil-Dorion, Quebec
 Frieda Martselos, Fort Smith, NWT
 Fran ois Pichard, Gatineau, Quebec
 Irving Schwartz, Sydney, Nova Scotia
 James S. Yamashita, Winnipeg, Manitoba

NCC – Canadiana Fund

Paul Labarge

nccwatch.org

New Canada Institute

Andrew Cardozo, Chair

Nigel Brereton

New Woodlands Preservation League

Andrew McDermott, Chair
 Jean-Paul Murray, League President and Research Chair

Office of the Commissioner of Official Languages

Graham Fraser, Commissioner

Ottawa Fields-Naturalists' Club

Stan Rosenbaum, Chair

Ottawa Gatineau Hotel Association

Dick Brown, Executive Director

Ottawa Jazz Festival

Catherine O'Grady, Executive Producer

Ottawa Police Service

Vince Bevan, Chief

Ottawa Tourism

Jacques Burelle, President & CEO

Parks Canada Agency

Alan Latourelle, Director General

Patricia Larocque

Paul Dewar, MP Ottawa Centre

Peter Bettle

Peter J. Harris

Peter Milliken, Speaker of the House of Commons

Poets' Pathway Committee of the Greenspace Alliance of Canada's Capital

Erwin Dreessen, Co-Chair

Public Works and Government Services Canada (PWGSC)

Tim McGrath, Assistant Deputy Minister and staff

Rebecca Dichoso

Redmond Quain

Rhéal Leroux, former Chief of Events, NCC

Richard Goyette

Richard Nadeau, MP Gatineau

Roland Madou

Scott Findlay

Serge Gagnon, Professor, Université du Québec en Outaouais

Sherry & Doug Woodburn

Société d'histoire de l'Outaouais

Michel Prévost, President

Tara O'Reilly

Transport 2000 Canada

David Jeanes, President

Tudor P. Jones

Washington National Capital Planning Commission

Patti Gallagher, Executive Director

Lisa MacSpadden, Director of Public Affairs

Westboro Beach Community Association

Whitehaven Community Association Ottawa

Ken Birchall

Whitewater Canada

Joseph Potvin, Vice-President Marketing





NCC Time line 1980 to present

2005

- **Capital Core Sector Plan**
- **Public Programming Vision**
- **Gatineau Park Master Plan**

2005

2002

- **Capital Agenda 21**
Sets out an implementation program for the NCC's 1999 Plan for Canada's Capital.
- **First meeting of the NCC Board with interest groups**

2001

2001

- **Creation of the Tripartite National Planning Committee**
- **First public annual meeting of the NCC Board**

2000

2000

Sussex Circle Report on "Enhancing Relations"

1999

Plan for Canada's Capital

Successor to the Gréber Plan and the Federal Land Use Plan, it serves as a guide for federal planning efforts in the first 50 years of the 21st century.

1990

1995

Federal Program Review

1988

Amendment to NCC Act and Federal Land Use Plan

Enshrines the expanded mandate of the NCC to include public programming.

1980

National Capital Region and Capital Core Area

