



Issue Brief 3: Building Financial Capacity and Skills for Municipalities

*Municipal capacity building is necessary
for the future of communities*

Governing Sustainable Municipalities

Johnson Shoyama Graduate School of Public Policy



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Governments, industry, communities, and the public are increasingly prioritizing their preparations for the future. National governments across the world are developing plans and policies to ensure that their countries continue to thrive, but municipal efforts are just as important to ensure that local communities operate effectively today, and in the years to come, by preserving their unique characteristics and authenticity.

Why do municipalities need to prepare for the future?

Residents want their communities to thrive and become stronger in the future. Local governments therefore develop plans and policies to make this possible. The plans and policies must balance many different aspects of the governance framework, taking into account the unique social, environmental, and economic aspects of each community. Local governments are best placed to understand how these aspects interact and change.

One way to visualize this balance is to think of a stool with three legs (Figure 1). The seat is the community, and each leg represents a different



supporting pillar: environmental, social, and economic. If one leg is shorter, weaker, or missing, the stool will be unstable. Similarly, a community that is economically robust but has an inhospitable

environment, or weak social cohesion due to the lack of recreational facilities or friendly play areas, is likely to grow smaller as families move away in search of more supportive neighbourhoods. The ability to maintain a good balance over time by considering how the three areas interact is known as sustainability.

Sustainability is a useful word to describe what municipalities are doing when they put plans and policies in place to preserve the community now and into the future. A sustainable municipality can strengthen the economy, often driven by local purchasing and production networks, while maintaining environmental benefits such as access to green spaces, clean water and air, and rich biodiversity. Sustainability projects also bring people together, helping to build strong communities that are less vulnerable to change. Some of the core concepts of sustainable development are already in current legislation, such as *The Cities Act* (2002; p. 15) which states that the purpose of cities is “...to foster economic, social and environmental well-being.”

Figure 1:

A strong community visualized as a three-legged stool.

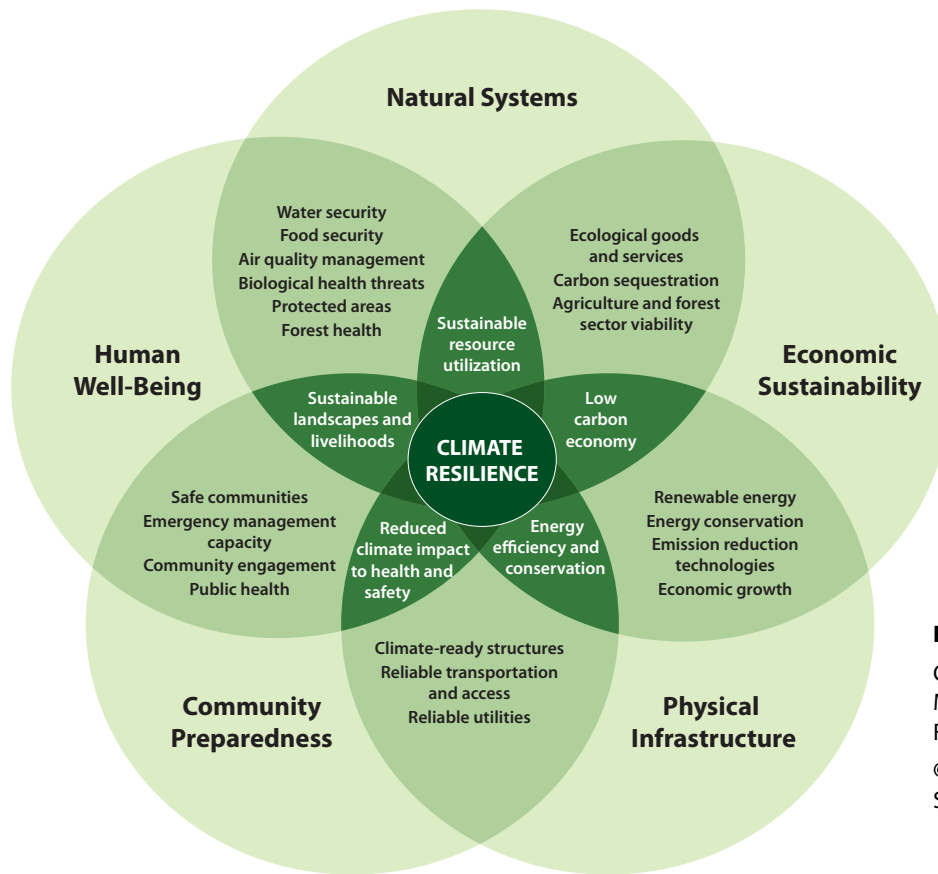


Figure 2:
Climate Resilience Measurement Framework
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What can municipalities do?

Municipal governments have jurisdiction over land use planning, zoning, and property taxation within their boundaries. They also have strong connections with the people, organizations and businesses in their communities – those most affected by sustainability issues, who are therefore known as stakeholders. Municipal governments exert a significant degree of control over the speed and transparency of administrative decision-making and policy implementation and can act as hubs for local partnerships (Teixeira et al., 2022). Forward-looking initiatives include new technologies, planning guidelines and investments, with municipal governments leading the promotion and advancement of such ventures (Antoshkina & Shmeleva, 2020).

Provincial Government of Saskatchewan

Saskatchewan has a growth plan that aims to build on private capital investment by \$16 billion

annually and invest \$30 billion in infrastructure. The plan also looks at projects and initiatives such as small modular reactor technology using Saskatchewan’s uranium resources. This will ensure that growth leads to a better quality of life for Saskatchewan families and communities (Gov. of Saskatchewan, 2019). On 1 January 2021, the Government of Saskatchewan included a community health and well-being category in its Statements of Provincial Interest Regulations, providing for the first time a regulatory framework for municipalities to address community needs. The provincial government has also published the Climate Resilience Measurement Framework (Figure 2), which proposes indicators for five areas: human well-being, community preparedness, physical infrastructure, economic sustainability, and natural systems (Gov. of Saskatchewan, 2018).

What is capacity and how does it relate to the future of municipalities?

Capacity in governance describes the resources available to municipalities, enabling them to develop, implement, fulfil, and communicate sustainability initiatives in their communities. Capacity can be thought of as a combination of:

- *Financial capacity*, which relates to the funds that municipalities can leverage, allowing them to engage effectively in feasibility analysis and the planning, preparation, and implementation of initiatives; and
- *Skills capacity*, which relates to a municipality's ability to employ (recruit, train, and retain) staff. Municipalities need access to trained staff for administrative tasks as well as skills for project design and management, land use, consultancy liaison, procurement, and more.

To ensure that governance is successful and sustainable, municipalities should plan for the short,

medium, and long term. They also need to balance financial and skills-related capacities appropriately.

Municipal governments have varying capacities for forward-thinking initiatives. Some municipalities have limited revenue and may lack skills capacity. Their priorities often need to be focused on fundamental aspects such as the maintenance of essential municipal services. This means there is very little spare capacity for visionary programs influencing the longer-term wellbeing of residents, businesses, and communities. Other municipalities may have both the financial and skills capacity to create detailed sustainability policies and plans, and to implement large-scale programs. A higher capacity for municipal governance will facilitate advances in policy development over time, resulting in short-term and long-term benefits for the economy, society, and the environment.

Why is building skills important for local governance?

Capacity is the heart of a sustainable municipality. A key area is policy development, which should combine awareness of emerging issues, policy amendments, and cooperation among stakeholder groups (Weible *et al.*, 2012). For Saskatchewan's municipalities, the aims include ensuring that municipal administrators are aware of funding opportunities, adapting policy cooperatively, and designing projects that enhance the environmental, social, and economic landscape for all communities.

Municipal council members and employees need to be aware of the local context and require the skills to turn approved ideas and plans into actions and on-the-ground outcomes. They also need the ability to engage the community in these actions, using practices appropriate for the local area. After the planning stage, project management, progress monitoring, and evaluation skills are needed for successful implementation (Wilderink *et al.*, 2020).

How can municipalities build skills for local governance?

Saskatchewan municipalities must possess and use a vast range of skills, which are always evolving and

becoming more complex. This is particularly relevant in Saskatchewan, where resource-based industries

play an important role in the economy. For example, agriculture and mining present unique management opportunities and challenges, which public servants need to understand.

Continuous education and training in the latest development practices, technologies, and policy frameworks should be tailored to Saskatchewan's particular needs, such as water management, land-use planning, and large-scale industry. Municipalities should ensure that their staff can access such training

in person, online, or by distance learning, with part-time as well as full-time options. The post-secondary education sector has an important role to play in the provision of training for municipalities by offering a wide range of courses, including professional development certificates, diplomas, and graduate level qualifications. By making use of such opportunities, municipalities can ensure that their personnel are equipped to handle the complex challenges of sustainable governance in Saskatchewan.

What funding is available to help municipalities build capacity?

In 2023/2024 the Government of Saskatchewan will be distributing more than \$297 million to municipalities via the annual and guaranteed Municipal Revenue Sharing grants. This is \$170 million more than the amount released in 2007/2008 and will help municipalities to implement projects that increase their capacity. For 2023/2024, more than \$142 million (47.9%) is allocated to cities, more than \$48 million (16.2%) to towns, villages, and

resort villages, nearly \$85 million (28.5%) to rural municipalities, and just over \$22 million (7.4%) to northern communities (Gov. of Saskatchewan, 2023). Municipalities can also access capacity-building programs from the Government of Saskatchewan such as the Targeted Sector Support Initiative, or resources from other organizations such as non-profits or local governance associations.

How can municipalities work in partnerships to increase capacity?

Municipal networks and associations – such as the Federation of Canadian Municipalities (FCM), the Saskatchewan Urban Municipalities Association (SUMA), the Saskatchewan Association of Rural Municipalities (SARM), and New North – play a significant role in the identification of local priorities for capacity. Online platforms and accessible materials have been produced for municipalities as a starting point to build knowledge and skills around sustainability issues.

Many funded programs are delivered in partnership

with other organizations, such as non-profits and academic institutions. The building of networks and collaborative partnerships with other municipalities, regional bodies, and international organizations can enable valuable knowledge exchange and generate new funding opportunities. For example, Saskatoon has collaborated with the Federation of Canadian Municipalities to facilitate their Home Energy Loan Program (HELP). This provides grants and low-interest loans to residents with low incomes for home energy efficiency improvements, such as better insulation.



What does increasing capacity via partnerships look like in practice?

The City of Lethbridge in Alberta has proactively considered the potential effects of changing weather patterns on its community, and how partnerships with other organizations can increase capacity to address these issues. The municipality has identified six key hazards that are most relevant to their local area: wildfires, floods, droughts, extreme temperatures, extreme winds, and invasive species. Accessible information on all these hazards has been provided on the municipality website, showing how they might affect the community and how their impact could change in the future.

In 2018, the municipality produced a Household Emergency Action Plan in partnership with Lethbridge Fire & Emergency Services and the

Lethbridge Emergency Management Agency, with support from the Calgary Emergency Management Agency. The document was written for residents in plain language and includes key contacts, links to further information, bullet points describing the hazards, and residential safety advice (e.g., fitting and using fire alarms).

It also contains a crucial section on disaster preparedness, including guidance on preparing a 72-hour emergency kit that should always be available. It also raises awareness that, during a disaster, the emergency services may not be able to provide immediate assistance.

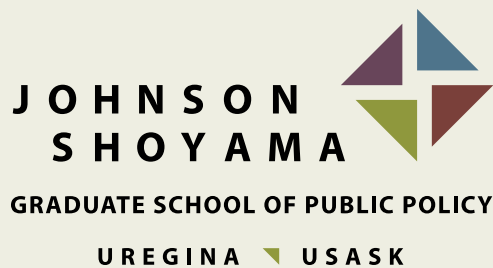
In 2019, the city adopted a Municipal Emergency Management Plan to ensure a quick and effective response to emergencies, including the six hazards listed above. The plan was developed as a partnership between the City of Lethbridge, the Alberta Emergency Management Agency, the City of Medicine Hat Emergency Management, and the Justice Institute of British Columbia. Its implementation, when needed, involves multiple stakeholders such as municipality staff, the Fire Service, the Police Service, the Canadian Red Cross, Alberta Health Services, and public and private organizations.



Wildfire: © Jonathan Hayward/The Canadian Press via AP;
Wind: © Derek Semashkewich; Flood: © Reuters

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For more information on the Governing Sustainable Municipalities project, please visit www.jsgs-gsm.ca.

KEY MESSAGES

A photograph of a city street at dusk. In the background, a large, ornate building with a prominent dome and arched windows is illuminated. A traffic light is visible, showing a red light. The sky is a deep blue, and the streetlights are on, creating a warm glow. The overall scene is a mix of urban architecture and modern infrastructure.

Capacity is the heart of a sustainable municipality.

Capacity building requires both financial capacity and the development and retention of skills.

Initiatives should consider outcomes over the short, medium and longer term.

Municipalities should ensure that their staff can access training to cover a vast range of skills, which are always evolving and becoming more complex.

Partnerships and collaborations with other municipalities and stakeholders can help to increase capacity.

Funding for capacity-building programs may be available from the provincial government, non-profits, and advocacy organizations.