

The Corporation of the City of Kawartha Lakes

Committee of the Whole Report

Report Number HS2020-002

Meeting Date: March 10, 2020

Title: Employment Service System Transformation Update

Ward Number: All

Author and Title: Rod Sutherland, Director Human Services

Recommendation(s):

That Report HS2020-002, **Employment Service System Transformation Update**, be received for information; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

On October 8, 2019 Council received an overview presentation on the provincial Employment Service System Transformation.

In February 2019 the government announced its plan to transform Ontario's Employment Services by introducing a new model to manage the system more effectively. The transformation will integrate three employment programs currently under Employment Ontario, Ontario Works and the Ontario Disability Support Program into one system to be managed by a new Employment Service System Manager (ESSM). ESSMs will fall under the authority of the Ministry of Labour, Training and Skills Development.

Three prototype regions were chosen to implement the new model effective October 1, 2020. The three regions are Peel Region, the Hamilton-Niagara region, and Muskoka-Kawarthas. For the purpose of this prototype, the Muskoka-Kawarthas region includes Kawartha Lakes, Haliburton County, the District of Muskoka, Peterborough County, the City of Peterborough and Northumberland County.

A Call for Proposals was completed by the province in the fall of 2019 to select the new ESSM. Kawartha Lakes submitted a proposal as part of a consortium bid with the City of Peterborough (as lead), the District of Muskoka and Northumberland County.

Rationale:

On February 14, 2020 the province announced that Fleming College was the successful applicant to be the ESSM in Muskoka-Kawarthas.

The successful applicant for the Region of Peel was WCG Services, a private, for-profit organization based in British Columbia. WCG is a subsidiary of the APM Group, an Australian corporation.

For Hamilton-Niagara, the successful proposal was from a consortium of non-profit organizations, led by New York based Fedcap Inc. The consortium includes the Canadian Council on Rehabilitation and Work, Operation Springboard, Corbrook and Community Living Toronto.

The transformation will see the new ESSM oversee employment services that integrate services currently being delivered through Ontario Works (managed by the City's Human Services Department), Ontario Disability Support Program (managed directly by the Province) and Employment Ontario service providers such as VCCS in Lindsay.

Fleming College currently has campuses in Lindsay, Haliburton, Peterborough and Cobourg. Fleming CREW (Community Resources for Employers and Workers) is a specialized division of Fleming College and is currently an Employment Ontario service provider in Peterborough and Haliburton.

The City and the Human Services Department has a long standing relationship with Fleming College and Fleming Crew. We anticipate our positive, collaborative relationship will continue with their new role as ESSM. It is unknown at the time of writing this report how Fleming College will oversee the new ESSM and deliver services in each of the prototype communities.

For Kawartha Lakes the implementation of the new model will result in an annualized reduction of \$800,000 in provincial funding effective October 1, 2020, to coincide with the transfer of responsibility for direct employment services to the new ESSM as of that date.

While this direct employment services role is being transferred to the ESSM, Human Services staff will be taking on new responsibilities for Life Stabilization supports. A new Common Assessment Tool, yet to be developed by the province, will be completed with people applying for or in receipt of Ontario Works. This will assist staff in delivering the elements of Life Stabilization services that are required to improve employment outcomes.

Staff are awaiting details of what Life Stabilization services entail and the interaction with employment services being managed by the ESSM. The provision of these services and supports, for example housing, mental health, addiction counselling and domestic violence supports, are expected to better enable individuals to participate in employment services.

Financial/Operation Impacts:

The reduction in employment services funding is part of the Ontario Works Program Delivery funding, representing approximately 20% of the total provincial subsidy in that budget area. This funding currently supports direct Employment Related Benefits to social assistance recipients (such as transportation, licenses, work-related supplies and equipment etc.), the provision of a number of employment programs for recipients (workshops and job specific training such as Smart Serve, Customer Service etc.) as well as staff wages.

The significant extent of these changes will result in a full review of the City's OW service delivery model. Once further details of the changing responsibilities are provided by the province, staff will be able to further develop and define what the new model entails and assess service impacts.

There is not expected to be a net budget impact in 2020 based on the reduced funding effective October 1, 2020. With the \$200,000 subsidy reduction for 2020, staff can reduce gross spending in this budget area for the fourth quarter accordingly as the scope and level of services change. Additionally, there may be an opportunity to secure additional one-time funding from the Ministry of Children, Community and Social Services to assist with the transition to the new model. These discussions have been initiated.

Further updates to Council will be provided as information comes available.

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