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**Date** January 8, 2020 **Report No.** 2020-31

**To** Chair and Members  
Social Services Committee

**From** Aaron Wallace  
Acting General Manager, Health and Human Services

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## 1.0 Type of Report

Consent Item ☐  
Item For Consideration ☒

**2.0 Topic** Ontario Works Employment Transition Funding and Service Delivery Update [Financial Impact: \$300,000 reduction in 2020 provincial revenue]

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## 3.0 Recommendation

- A. THAT Report 2020-31 BE RECEIVED; and
- B. THAT staff BE DIRECTED to return in Q2 2020 with a plan for organizing the Social Assistance and Homelessness department in response to the pending reduction in provincial funding.

## 4.0 Purpose and Overview

A report to update Social Services Committee and Council on the potential impact of provincial changes to employment services for social assistance clients.

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## 5.0 Background

On February 12, 2019 the Ministry of Training Colleges and Universities (MTCU) announced a plan to transform employment services to help those seeking employment to secure good jobs and to assist employers with the recruitment of skilled workers. Of most significance to the Health and Human Services Commission is the planned integration of social assistance employment services, previously managed and delivered by the municipality as a Consolidated Municipal Service Manager (CMSM) into the provincial Employment Ontario system.

In August 2019, Social Services Committee and Council approved report 2019-457 Employment Services Transformation Update which outlined the selection of Brantford and Brant County as one of the initial sites that will transition to the new employment model in 2020. There are nine “prototype” municipalities in three regions: Hamilton- Niagara, Peel, and Kawartha/Muskoka. The delivery responsibility for employment services to social assistance recipients will transition to Ministry of Labour, Training and Skills Development (MLTSD) Service Systems Managers (SSMs). There will be one SSM for each of the three prototype regions.

During the summer of 2019, a Request for Qualification (RFQ) process was undertaken to qualify proponents for invitation to the subsequent Call for Proposals (CFP) to become a service system manager (SSM) for the prototype phase of transformation. Although the City of Brantford submitted a response to the RFQ, it did not advance to the CFP stage. At this time, the City awaits the announcement of the successful SSM, expected in January 2020. The SSM will have until the target implementation date of October 1, 2020 as a transition period.

The City has been notified that effective October 1, 2020, a portion of the Service Delivery Funding currently received from the province will be transferred to MLTSD to support services for Ontario Works participants who will now be served by the Employment Ontario system. The Province has indicated this amount at \$300,000 for 2020 and \$1,000,000 in 2021. This funding reduction is additional to the \$481,161 reduction previously described in report 2019-611 Planned Response to the Provincial Funding Reduction to the Ontario Works Addictions Services Initiative (ASI) Program – Update.

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## **6.0 Corporate Policy Context**

### **High Quality of Life and Caring for All Citizens**

Brantford will be known as a community with a social conscience – one that supports those in need (including for example children, youth, seniors, people with disabilities and marginalized populations).

## **7.0 Input From Other Sources**

Ministry of Children, Community and Social Services

Ministry of Labour, Training and Skills Development

## **8.0 Analysis**

The government is integrating and transforming the employment services system, including delivery of services to Ontario Works recipients previously served by the City of Brantford Health and Human Services Commission. In the new system, Service System Managers (SSMs) selected by MLTSD will plan and manage employment services that meet the needs of the local community.

With the exception of the employment services that will transition to the SSM, municipal staff will continue to perform core functions associated with the administration of the Ontario Works program, which include:

- Determining initial and ongoing eligibility for financial assistance;
- Calculating and issuing basic financial assistance and associated benefits;
- Developing and supporting individual service plans for each recipient with a focus on improved employability and stabilizing life circumstances.

Life stabilization is understood as a process of resolving personal challenges or barriers that may prevent an individual and family from participating fully in the community, completing necessary activities of daily living and engaging in activities leading to increased quality of life and self-sufficiency. Life stabilization includes the domains of basic needs (food, housing), pre-employment (literacy and basic skills, educational upgrading, life skills, and language training); independence and community inclusion (volunteering/unpaid placement, recreation, social skills development, dependent care) and health (mental health, addictions, primary care). Social assistance recipients function on a continuum of employability, requiring varying levels of support to navigate

services and maintain progress on their plan. Intervention from skilled professional social assistance staff is a critical success factor in moving clients towards improvements in their life circumstances.

The portion of Ontario Works program delivery funding that will be transferred to MLSTD for employment services has been established as 22%. This means that in 2021 at full implementation, the City will lose \$1 million in funding. In 2020, the province has estimated the funding reduction pro-rated at \$300,000. Considering the reduction of \$481,161 already experienced as a result of eliminating dedicated funding for addictions, the total reduction to Ontario Works operating funding from the province is \$781,161 for 2020, and \$1,481,161 for 2021. A funding reduction of this magnitude will require an equally significant response, beginning in mid-2020, to align planned expenditures on staffing, administration and cost shared client benefits with available funding. As of 2018, with the completion of the provincial upload, Ontario has assumed full funding responsibility for all mandatory client benefits in the Ontario Works program.

It is also noted that the province is limiting delivery partners to a maximum program delivery funding allocation equal to 2018 actual expenditures for 2020 (capped at \$4.48 million). This effectively limits the ability to fund inflationary increases through the provincial envelope. Going forward, any such cost increases are either borne by the municipal tax levy or found through additional efficiencies. For example, a 2% increase to full time salary costs would add approximately \$88,000 annually which would need to be offset by expenditure reductions in order to avoid a municipal budget increase.

Currently, department staff is completing analysis to determine a recommended strategy to meet provincial service standards within the reduced funding allocation. This task is complicated by the staffing reductions that were already taken as part of the 2018 Service Delivery refresh and department restructuring, which occurred prior to the current reductions in provincial revenue.

Social Services Committee and Council will be provided with an updated Service Model and plan responding to the most recent provincial funding reduction associated with the pending employment services transformation in the late spring of 2020.

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## 9.0 Financial Implications

The amounts to be transferred from the City of Brantford's Ontario Works program 100% provincial funding envelope to the Ministry of Training, Colleges and Universities for the Employment Services Transformation are:

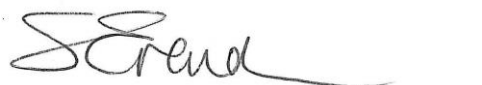
- 2020 - \$0.3M (pro-rated from October to December 2020)\*
- 2021 - \$1.0M (January to December 2021)\*

\*MCCSS provided figures.

## 10.0 Conclusion

The City of Brantford is an early prototype for the new provincial employment services system, which will be implemented through 2020. There are few details about the role and expectation of municipal social assistance staff in the new system at the current time. Staff are proceeding to plan based on the limited available information which suggests that Ontario Works core service delivery will continue to include eligibility functions along with individualized case planning for those in receipt of Ontario Works financial benefits. As a result of the significant decrease in provincial funding accompanying the employment system transformation and cancellation of the Addiction Services Initiative, it will be necessary to complete core provincial functions with fewer resources. It will also limit the department's ability to perform non-core, discretionary activities which are valuable to the community but are neither required nor funded by the province.

Staff will return in Q2 of 2020 with an initial service delivery plan for review and approval by Social Services Committee and Council.



Susan Evenden  
Director, Social Assistance and  
Homelessness



Aaron Wallace  
Acting General Manager, Health and  
Human Service

Attachments (if applicable)

Appendix A - Employment Services Transformation – Q and A

Appendix B - Brantford Program Delivery Funding Memo

Copy to:

N/A

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☐ yes ☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☒ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no