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Date November 4, 2020 **Report No.** 2020-444

To Chair and Members
Social Services Committee

From Aaron Wallace
Acting General Manager, Health & Human Services

1.0 Type of Report

Consent Item	<input checked="" type="checkbox"/>
Item For Consideration	<input type="checkbox"/>

2.0 Topic **Ontario Works Service Delivery Update [Financial Impact: \$1,001,804 Provincial Revenue Loss]**

3.0 Recommendation

- A. That Report 2020-444 Ontario Works Employment Services Transition Update [Financial Impact: \$1,001,804 Provincial Revenue Loss] BE RECEIVED.

4.0 Purpose and Overview

To inform Social Services Committee of upcoming changes to the delivery of Social Assistance, and the resulting changes to the department's organizational structure, effective January 1, 2021.

5.0 Background

Social Assistance in Ontario is experiencing an unprecedented period of upheaval, influenced by social, economic and technological transformation. In particular, Artificial Intelligence (AI) is now being leveraged to automate certain eligibility functions previously performed by caseworkers to increase the time

spent on personal support to service recipients. The upcoming Employment Services Transition and reduction in provincial program delivery funding is a further significant contributor to the dynamic environment in which the department is operating.

1) Centralization and Automation of Ontario Works Financial Benefits

The Ministry of Children, Community and Social Services (MCCSS) has indicated that they will prioritize immediate needs in response to the COVID-19 outbreak, as well as changes that will build a smarter system focused on supporting people through times of crisis and beyond while making the system more sustainable. As such, MCCSS is implementing a Recovery and Renewal Plan that continues to focus on Social Assistance modernization and is intended to support people through economic recovery.

Priority areas include:

- New digital tools and service modernization with an easy-to-use online application, expanding MyBenefits online reporting, and two-way messaging to support client and caseworker communication;
- A centralized provincial intake process that reduces paperwork and gradually frees caseworkers to spend more time supporting clients through crisis and helping them get back to work; and
- Automated, smarter eligibility verification with provincial, federal and third-party sources to make financial assistance processing faster while strengthening program integrity.

It is anticipated that the Ontario Works caseload will increase in spring 2021, as individuals begin to exhaust the newly announced federal recovery benefits. Centralizing intake for Ontario Works will ensure that people in need of help can access benefits more quickly. It will also reduce administrative paperwork for staff. The centralized intake process will use a risk-based algorithm. Low and medium risk applications can be auto-granted through Social Assistance Management System SAMS technology. Provincial staff can support this process through manual interventions where required. High-risk cases will be passed to municipalities for determination.

2) Funding reduction associated with Employment Services Transformation, effective January 2021

In February 2019, the provincial government announced they will be changing the delivery of employment services for Ontarians to create a system that is easier to use, localized and meets the needs of communities and workers. The new model consolidates employment services for all Ontarians, including individuals receiving Ontario Works and Ontario Disability Support, with Employment Ontario.

Three regions were chosen (Hamilton-Niagara Peninsula, including Brantford - Brant, Muskoka-Kawartha, and Peel) to prototype the new model for employment service delivery with the goal of the pilot sites coming online in the fourth quarter of 2020.

Due to the COVID-19 pandemic, planning and rollout of the Employment Services Transformation will be delayed until January 2021 for pilot sites. As described in Report 2020-31, funding is being transferred from the Ministry of Children, Community and Social Services (MCCSS) to the Ministry of Labour, Training and Skills Development (MLTSD) to support the expanded role of the Employment Ontario system. Locally, the provincial funding loss is \$1,001,804 for 2021.

The shifting external environment requires that the department re-imagine how the Ontario Works program will be delivered locally.

6.0 Corporate Policy Context

High Quality of Life and Caring for All Citizens

7.0 Input From Other Sources

Ministry of Children, Community and Social Services

Ministry of Labour, Training and Skills Development

8.0 Analysis

8.1 OW Caseload Forecasts

MCCSS has not provided an updated forecast for Social Assistance caseloads for 2020-2021. The last Ontario Works caseload forecast completed by the Ministry was in January 2019 using available data. This forecast showed an

anticipated decrease in the OW monthly caseload in 2019-2020 of 1.6% and includes factors such as the province's expected impacts of 2018 budget initiatives and other approved program and policy changes to date. This report does not produce a forecast at the CMSM level reflecting local economic conditions. As a result of the COVID-19 pandemic, conditions have changed substantially since 2019. The Province has signalled that more recent modelling suggests the possibility of an increase in Ontario Works applications and caseloads as eligibility for federal COVID relief programs shifts in late 2020, and individuals exhaust these benefits in 2021.

Brantford/Brant enjoyed a robust labour market through 2019 and 2020 with unemployment rates below the national and provincial averages. However, as depicted below (Figure 1), labour market conditions deteriorated rapidly in March/April 2020 as a result of business closures during the first wave of COVID-19. Following an initial surge in unemployment, unemployment rates began to stabilize, reflecting the reopening of the economy. Brantford/Brant's September 2020 unemployment rate of 8.1% remains well above pre-COVID levels, and the current trajectory of the COVID-19 second wave is uncertain. Continued growth in cases may prompt new shutdowns.

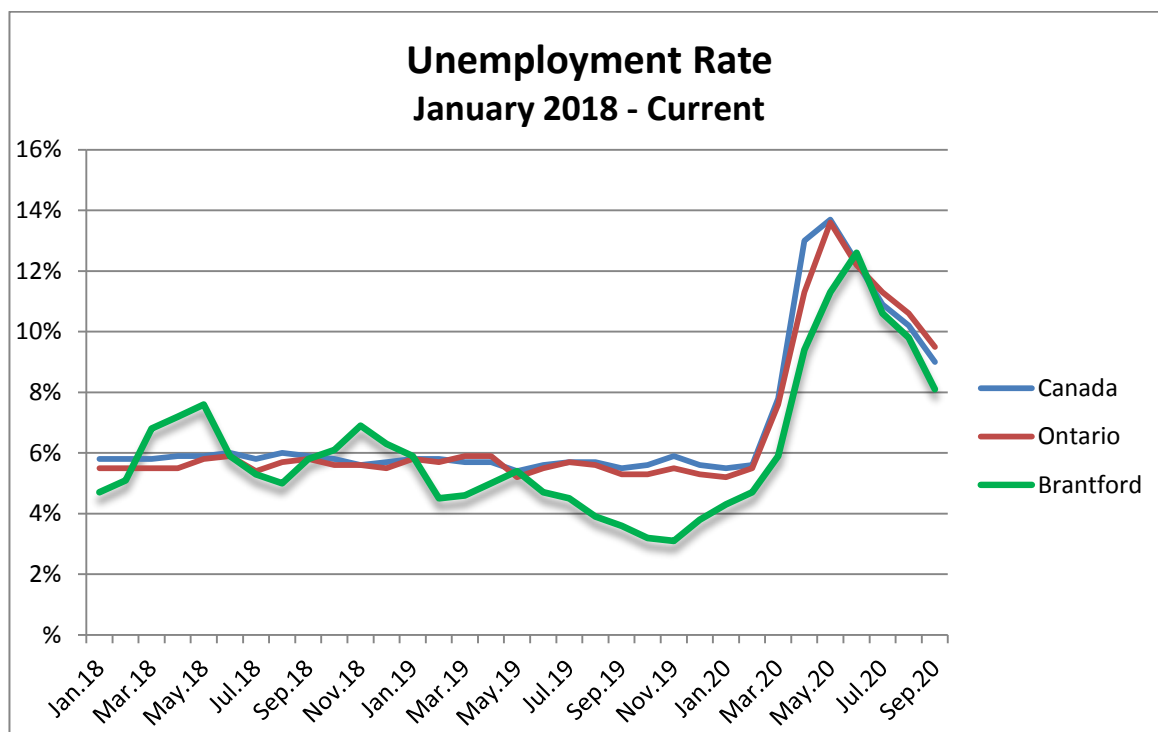


Figure 1

While the unemployment rate and labour market trends cannot be used to fully forecast the impact on the local Ontario Works caseload, the local Ontario Works caseload has never returned to pre-2008 recession levels (Figure 2). The 2019 Labour Market report (HHS 2019-156 Ontario Works Caseload and the Labour Market) also noted that despite a favourable unemployment rate, while the average provincial caseload has slightly decreased over the last two years, Brantford/Brant has increased slightly, pointing to a unique phenomenon for OW recipients in our community.

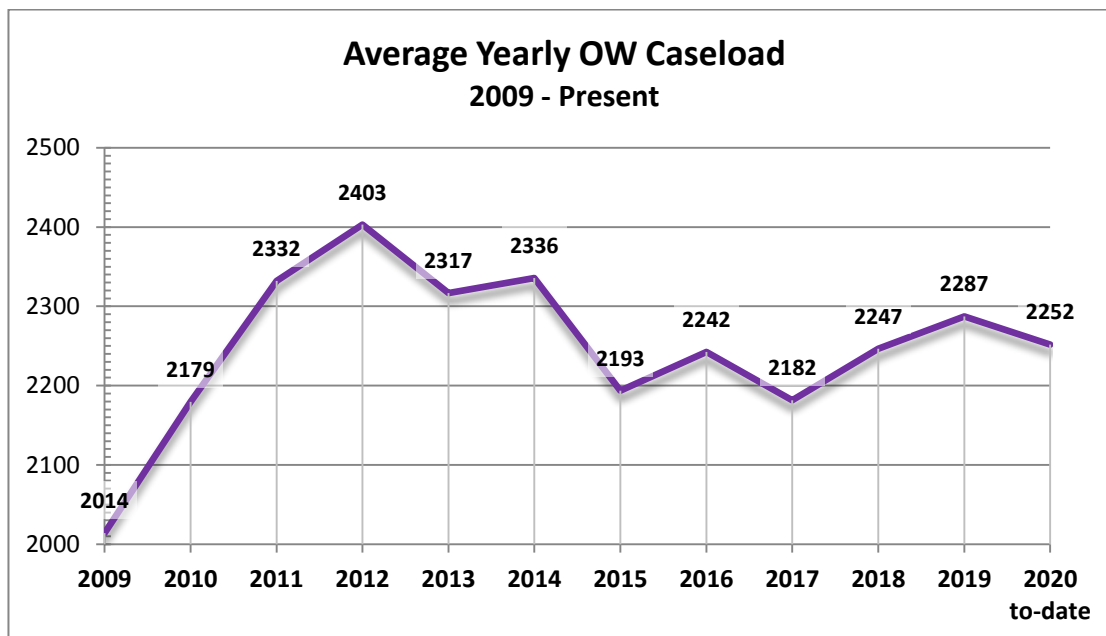


Figure 2

Based on past data and historical trends, one conclusion that can be drawn is that the full impact of the consequences of COVID-19 on the unemployment rate and labour market trends will be manifested in the Ontario Works caseload over the next few years. Since May 2020, Ontario Works caseloads have remained lower than over the same months in 2019. This is likely due to some individuals and families accessing federal benefits such as the Canada Emergency Response Benefit (CERB). Over the remaining months in 2020 and leading into 2021, Ontario Works caseloads are expected to remain lower than pre-COVID-19 projections as CERB recipients transition to Employment Insurance (EI) or the new federal recovery benefits.

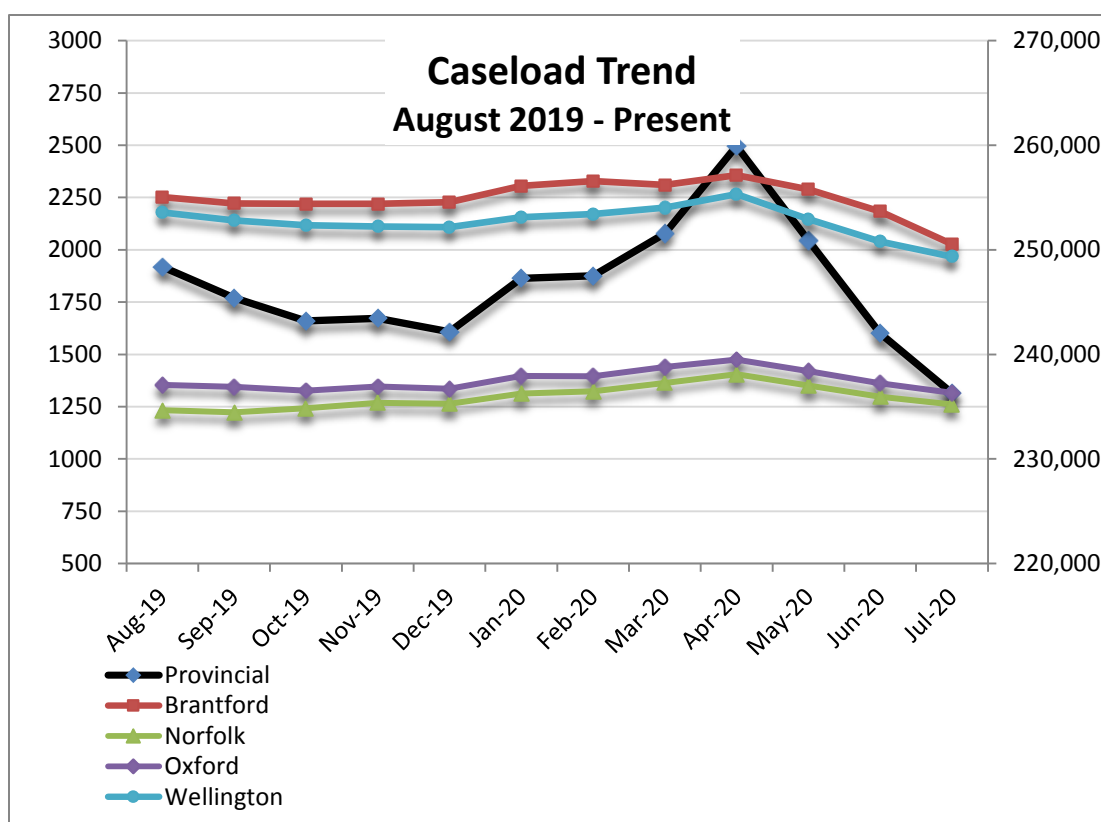


Figure 3

Ontario Works caseloads may increase significantly in spring 2021, as individuals begin to exhaust the newly announced federal recovery benefits. Anticipated policy and service delivery changes have been announced as part of the Social Assistance reform, including changes to employment supports and Ontario Disability Support Program eligibility criteria which have the potential to increase the OW caseload. Based on the information available, MCCSS and department staff are planning for a caseload increase, potentially commencing in fall 2020 into 2021. The demand for Social Assistance in the upcoming months will be driven by the availability of federal COVID relief payments and the strength of labour market recovery and hiring activity.

8.2 Social Assistance Modernization

In 2016, Ontario asked three working groups to examine the income security system and make recommendations on how to improve it.¹ Recommendations

¹ <https://www.ontario.ca/page/income-security-reform>

included making Social Assistance simpler and focusing on helping people overcome barriers to moving out of poverty and participating in society.

Over the last several years, MCCSS together with municipalities has been committed to reforming and modernizing Social Assistance, as an important part of income security reform. The modernization strategy focuses on making changes over five years in priority areas including intake, client communications, benefits delivery, digital tools and processes, and payment administration.

The Business Innovation and Implementation Branch (BIIB) is working with staff from across the ministry to make staff's work easier and to better help Social Assistance recipients.

8.2.1 The Initiatives

New digital tools include MyBenefits and Electronic Document Management (EDM).

My Benefits

MyBenefits is an online service available to residents of Ontario who are active Ontario Works or ODSP recipients. It is available 24/7 and allows clients to see their payments and letters and to report changes through their desktop, tablet or mobile phone. It works on all the latest major browsers (Chrome, Safari, Internet Explorer, Firefox, Edge). MyBenefits has been co-designed with clients and staff to ensure it is simple, easy to use, and meets people's needs. It has been implemented province-wide and gives people more choice and flexibility in how they get, manage, and report information to the Ministry without replacing existing service channels (e.g. in office, over the phone).

With MyBenefits, clients can:

- Check the status of a payment, view a breakdown and status of each payment, including any overpayment information
- View letters
- View profile information (e.g. phone number, email, household members)
- Report earned income against an existing employer on file and track the status of each submission

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- Report address and phone number changes
 - Show their proof of assistance to third party providers

Clients choosing to enroll in MyBenefits will also be paperless by default: they can view their letters online and will stop receiving letters by mail. New features and improvements continue to be added to MyBenefits.

Over 300 Ontario Works recipients have enrolled in MyBenefits locally and Service Coordinators continue to promote MyBenefits to all participants.

Electronic Document Management

The Electronic Document Management (EDM) model was developed as part of the Ministry's Social Assistance Reform mandate. EDM provides the foundational base for enhanced user experience, administrative efficiencies and process optimization through the digitization of paper into digital records accessible through the Social Assistance Management System (SAMS).

The EDM model consists of a suite of services including:

- Digital Mailroom Document Digitization
- Master File Digitization
- MyBenefits Document Upload
- Staff/Site Document Upload
- Two-Way Messaging (between clients and workers)

Simpler, more efficient benefits delivery includes initiatives such as the Reloadable Payment Card (RPC), simplified income reporting changes that took effect in March 2018, streamlining services for individuals on Social Assistance who transition to OAS/GIS pension income by automating the application process, and changes to the Statement of Assistance that remove the necessity for paper drug and dental cards.

The Brantford OW office was a pilot site for the Reloadable Payment Card initiative and clients who could not obtain bank accounts for electronic direct bank deposit payments for Social Assistance income support were being on-boarded to RPC starting in September 2019. The COVID-19 pandemic presented an opportunity and in March 2020, Service Coordinators focused on implementing electronic payments for all participants. As of September 2020, only 18 unique cases were receiving

Social Assistance payments via cheque and these cases met the exception requirements (e.g., clients are not eligible for RPC as they are under 18 years of age with a financial trustee).

Payment administration is undergoing modernization as well. For example, Direct Bank Deposits (DBDs) and eStatements are now issued for third parties (e.g., landlords, utility providers, etc.) who receive payments on behalf of Social Assistance recipients. In summer 2020, the Ministry began transitioning to a fully centralized model for third-party Participant Record Management (PRM) as the single point of contact for all record creation, maintenance and Direct Bank Deposit outreach and enrolment. Brantford is part of 'Wave 2' of this initiative and has moved to the centralized model as of October 19, 2020.

8.2.2 Recovery and Renewal

On September 30, 2020, the Ministry of Children, Community and Social Services (MCCSS) announced a Social Assistance recovery and renewal plan that will encompass a phased approach, focusing on an early recovery strategy starting in 2020 and continuing with a second phase in early January 2021². As part of the first phase of the Social Assistance recovery and renewal plan, the province will be focusing on improved access to employment and training services, developing new digital tools and modern service options with ways to process financial assistance faster.

A starting point will be centralizing work at the provincial level with the intent to free up time that is seen as largely administrative so that workers in municipal offices can focus on life stabilization supports. An early deliverable for this initiative is the centralization of intake (initial eligibility assessment) with the idea that the central team at MCCSS will grant low to medium risk applications and transfer them to the appropriate local office once the initial Social Assistance payment has been issued. Cases that fall into a high-risk category will still require intervention at the municipal level. Based on rough data, Provincial staff has estimated that approximately 70% of applications will fall into the low-medium risk categories and will be processed provincially. Ontario Works offices such

² <https://news.ontario.ca/en/release/58607/ontario-modernizes-social-assistance-to-help-more-people-re-enter-the-workforce>

as Brantford that are part of the Employment Services Transformation prototype will transition to this centralized intake model as early as January 2021.

8.3 Employment Services Transformation

In February 2019, the Province announced its intention to transform employment services by creating a stronger system that's easy to use and localized to make Ontario's employment services more efficient, streamlined, and outcomes-focused³.

As one of the three prototype sites, OW Brantford will transfer responsibilities for employment services to a Service System Manager and focus on enhancing supports for clients on life stabilization activities.

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. Life stabilization services will also be provided to non-disabled members of Ontario Disability Support program benefit units.

The Employment Resource Centre at 220 Colborne Street has remained closed through the COVID-19 pandemic. This closure will become permanent due to the shift away from supporting job seekers from this location. CareerLink, an Employment Ontario service provider, offers computers, fax and telephones for job search at their Market Square location.

Local Service System Managers will be responsible for planning and delivering employment services that meet the needs of their local economy. Where Ontario

³ <https://news.ontario.ca/en/backgrounder/51231/transforming-ontarios-employment-services>

Works recipients are enrolled in Employment Services, case management will be shared between the Ontario Works and Employment Ontario staff. Transformation plans to engage the prototype sites in co-design of services were delayed due to COVID-19, however, the target date of January 1, 2021 for implementation remains unchanged. Prototype municipalities are feverishly putting together transition plans, processes, training and staff engagement sessions to prepare for the transformation.

As a result of Brantford's involvement in the Employment Services Transformation, the Province reduced funding to the Ontario Works program in Brantford by \$1,001,804 effective January 1, 2021. This reduction in funding will impact both administration and program costs, however, basic financial assistance (i.e., monthly benefits) is not affected and will continue to be administered by the City of Brantford as the CMSM. Staffing reductions have been realized in organizational restructure for the new Community Programs and Social Development Commission. The savings were achieved through a reorganization of the full commission which was approved by Brantford City Council on October 13, 2020.

8.4 Homelessness-Transfer of Work

The City of Brantford is the Consolidated Municipal Service Manager (CMSM) for Housing and Homelessness services for both the City of Brantford and the County of Brant. As the local Service Manager, the City is responsible for system planning, service delivery, accountability/quality assurance, and resource allocation related to housing stability.

The City of Brantford operates a Housing Resource Centre (HRC) providing services in-person, online or by phone that underpins the local Brantford-Brant Homelessness continuum of care for individuals and families who are homeless or are at-risk of homelessness.

Investigating the increased outsourcing of municipal services was a recommendation made by KPMG in the final [City of Brantford Service Review report](#) in November 2019.

Each department was directed to review its services to identify if there were any financial advantages to increasing the number of outsourced services while maintaining the required service levels.

Although our Housing Resource Centre (HRC) staff provide an exceptional level of service, Brantford is one of the few municipalities offering in-house HRC

services. After exploring the feasibility of outsourcing the services currently delivered by the HRC, the decision was made to outsource homelessness services.

By way of a Request for Proposal, the City of Brantford sought providers who have demonstrated success in homeless outreach and prevention, housing placement and post-housing support to provide services to people experiencing homelessness in the City of Brantford and the County of Brant through an HRC. Following the competitive process governed by the City's purchasing policy, the successful proponent was the Salvation Army which will assume the HRC functions on January 2, 2021.

The HRC will continue to provide a suite of services directed to individuals and families experiencing or at risk of homelessness guided by a Housing First philosophy. The services range from low touch (rental housing listings), medium touch (prevention, diversion, emergency shelter referrals, workshops) to high touch (outreach, trusteeship, rapid rehousing).

In addition to outsourcing the HRC, the responsibility for system planning, accountability/quality assurance, and resource allocation related to housing stability will move from Social Assistance & Homelessness to the Housing department. Housing will support the end-to-end continuum of homelessness and housing supports.

8.5 Organizational Structure

While significant changes to the operating environment, including increases in the automation of financial eligibility transactions, centralization of certain functions provincially, and the transfer of Ontario Works program delivery funding to Employment Ontario are precipitating factors, it is also an opportunity to reimagine the structure of the department.

8.5.1 New Focus, New Name

In the transformed system, the fundamental objective of the Ontario Works program shifts from labour market adjustment to life stabilization. Frontline staff will continue to play an important role in coaching and supporting individuals receiving Social Assistance in connecting to appropriate interventions and resolving significant life challenges, which will enable the participant to move toward employment and self-reliance. There is a continued expectation that each participant will have an individualized action plan. Ontario Works staff will work collaboratively with the Service

System Manager for Employment Services and Employment Service providers through a process called “Integrated Case Management.” Administration of Ontario Works financial benefits also remains a core function for the department.

To reflect this change in focus, the department will now be known as **Family and Income Stability (FIS)**. The organizational chart is attached to this report as Appendix B.

8.5.2 Built for Success

As described in Report HHS 2018-008 (**Service Delivery Refresh Project – How Can I Help?**), the department has already accomplished many improvements to modernize and streamline service delivery while maintaining an excellent customer experience. The new model builds on this theme by:

Reducing Management: FIS will have a more contemporary, streamlined management structure, emphasizing collaboration, innovation and contribution from staff at all levels. The elimination of a complete level of management (supervisor) brings efficiencies through faster decision making, reduced duplication of effort, and clearer communication. Responsibility and leadership have been pushed down to the staff level through, for example, the creation of unionized, non-supervisory team leads who assume responsibility, together with team members, for defined results. Each team member will also have a stronger role in the self-management of individual results. Enhanced employee empowerment is expected to contribute to a healthier organizational culture and improved staff engagement.

Supporting Data-Driven Decision Making: The new model creates staff capacity for enhanced data analysis to support Ministry reporting, evidence-informed decision making, grant writing and program evaluation. While provincial data systems produce data and reports, Ontario Works programs have not previously been supported by staff tasked with analyzing this information. Good analytics are critical to ensuring that programs are efficient and achieving both the deliverables required by provincial funders and corporate Key Performance Indicators (KPIs).

Maintaining Agility and Responsiveness: As the business of delivering Social Assistance and life stabilization services continues to transform over the next 3 years, the foundation staffing model can be easily adjusted

and rightsized as needed. The organizational structure is based on multi-functional teams, creating the ability to easily collapse positions and reform teams based on new realities. For example, as the administration of financial assistance continues to be automated through Social Assistance modernization, intake and eligibility focused positions can be easily repurposed to further support life stabilization functions. It is particularly important to ensure that staff have sufficient time to meaningfully and regularly connect with participants, especially those experiencing complex needs and challenges in many areas of life to encourage forward progress.

9.0 Financial Implications

Ontario Works program delivery funding has been reduced by \$1,001,804. The reduction applies to the 100% provincial funding envelope, therefore no municipal savings will be realized in 2021.

10.0 Conclusion


The landscape of municipal services in general, and municipal social services in particular, has changed greatly as a result of provincial responses to COVID-19, technological change, and shifts in societal trends. The City of Brantford, as the CMSM for Ontario Works, has a long history of successful adaptation and has built a resilient organization. The velocity and magnitude of current and future changes to the Ontario Works program is greater than ever before. The department has responded with a new organizational design which, although regrettably requiring the loss of staff complement, maintains a strong focus on client outcomes and employee engagement while placing the department in a strong position for the future.



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Mary Musson,
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Attachments:

Appendix A: Family and Income Stability Staffing Change Summary

Appendix B: Family and Income Stability Organizational Chart January 1, 2021

Appendix C: Caseload Forecast as of January 2019

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