

--	--

<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON OCTOBER 28, 2013</b>
<b>FROM:</b>	<b>SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME</b>
<b>SUBJECT:</b>	<b>ONTARIO WORKS DECENTRALIZATION</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Managing Director, Housing, Social Services and Dearness, the following report **BE RECEIVED** for information purposes.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
--

- Ontario Works in the Community Strategy, Community and Protective Services Committee, July 19, 2010
- Ontario Works in the Community Strategy, CONFIDENTIAL REPORT, Board of Control, July 21, 2010
- Ontario Works in the Community Strategy, East London, Finance and Administration Committee, November 30, 2011
- Ontario Works Decentralization, Community and Protective Services Committee, February 4, 2013
- June 17, 2013 Ontario Works Decentralization Update
- Request for Proposal 13-40 Lease of Office Space, CONFIDENTIAL REPORT, Community and Protective Services Committee, October 28, 2013

<b>BACKGROUND</b>
-------------------

In February 2013, Council approved a high level plan that changes the way that Ontario Works services will be provided to the residents of London, moving from a centralized model of delivery where approximately 11,000 London households receive services from one downtown location, to a more responsive, respectful and integrated model that provides Ontario Works services in a decentralized model throughout the City.

This decentralized model of providing services is more in line with the City’s Mission, *At Your Service: A respected and inspired public service partner*, and better reflects the philosophy and principles of city initiatives such as Service London and ReThink London. As well, this decentralized and integrated model builds on successful service delivery practices recognized globally in the human service sector.

In February 2013, Civic Administration reported to Council on the challenges and limitations of the current service delivery model and provided a high level description of how it is envisioned that a decentralized model will operate, based on a set of guiding principles, objectives and site selection criteria. The report described a plan to provide Ontario Works services in all four quadrants of the city, as well as a possible presence in the core area of the city (to be re-evaluated as planning and implementation continues).

In April and May 2013, community forums were held with a broad range of stakeholders including community agencies and organizations who directly and indirectly provide services to, or support, Ontario Works participants (including agencies with which purchase of service agreements exist); individuals and families who have or have had experience with Ontario



Works; and local community and neighbourhood groups or associations interested in being involved in the decentralization process of Ontario Works. At these community forums, broad support for a decentralized model of service, as well as the guiding principles, objectives and site selection criteria was received relating to the model.

In June 2013, Civic Administration reported back to Council with an update on the feedback from our community forums, the governance model that is guiding the planning and implementation process for this initiative, and the process and timelines for a Request for Proposals (RFP) process to select a site for our North East quadrant. The result of the RFP process is contained in a separate, confidential report to October 28, 2013 meeting of the Community and Protective Services Committee.

**IMPLEMENTATION PLAN**

The implementation of the decentralized model of service delivery will be staged over a period of the next 4 years. The overall planning, with a goal of moving all Ontario Works related programs, services and operations out of Market Tower by the end of the current lease (March 31, 2017), has commenced and will continue until February 2017.

The following site specific milestones and related target dates and timelines have been established based on information available as of October 2013 and will be updated via future reports to Committee and Council. Key Council decisions are highlighted.

Target Dates/ Timelines	Milestones – Key Tasks/Decision Points
<b>North East Site</b>	
Feb 2013 – Feb 2014	Planning and development of functional design, program service delivery, operational processes, staffing requirements, transitional plans
July – Sept 2013	Request for proposals process to secure leased office space
Oct – Nov 2013	CPSC/Council approval to negotiate lease with successful proponent
Nov – Dec 2013	Negotiating lease with Landlord; finalizing of design elements
Jan – Feb 2014	CPSC/Council approval of lease
Feb – June 2014	Construction and leasehold improvements  Logistical planning, operational service transition  Community engagement
July 2014	Move in date
<b>South West Site</b>	
July 2013	Awarding of Contract for prime consultant
July 2013 – May 2015	Planning and development of functional design, program service delivery, operational processes, staffing requirements, transitional plans  Community engagement
February 2014	Council approval of Capital Budget (2014 Budget Process) – required in order to move forward with construction and expansion of South London Community Centre
May – June 2014	Construction Tender Process
June 2014	CPSC/Council approval to award construction contract
July 2014 – May 2015	Construction  Logistical planning and operational service transition
June 2015	Moving in date

Target Dates/ Timelines	Milestones – Key Tasks/Decision Points
South East Site	
Feb 2015 – Feb 2016	Planning and development of functional design, program service delivery, operational processes, staffing requirements, transitional plans
July – Sept 2015	Request for proposals process to secure leased office space
Oct – Nov 2015	CPSC/Council approval to negotiate lease with successful proponent
Nov – Dec 2015	Negotiating lease with Landlord; finalizing design elements
Jan – Feb 2016	CPSC/Council approval of lease
Feb – June 2016	Construction and leasehold improvements  Logistical planning, operational service transition  Community engagement
July 2016	Move in date
North West, Core Sites	
Feb 2016 – Feb 2017	Planning and development of functional design, program service delivery, operational processes, staffing requirements, transitional plans
Feb – Apr 2016	Request for proposals process to secure leased office space
May – June 2016	CPSC/Council approval to negotiate lease with successful proponent
Jun – July 2016	Negotiating lease with Landlord; finalizing design elements
Aug – Sept 2016	CPSC/Council approval of lease
Sept 2016 – Jan 2017	Construction and leasehold improvements  Logistical planning, operational service transition  Community engagement
Feb 2017	Move in date

Over the past several months, the implementation team, comprised of representatives from across corporate service areas, has been developing plans in a wide range of areas of our decentralization plan, including: level and mix of services at each site; physical space and design; operating procedures and policies; community engagement; change management; communication; partnerships and evaluation. As well, other municipalities have been consulted to acquire information about best practices, and consultation has been undertaken with staff and program participants in both formal and informal settings. Ongoing conversations are also continuing with community partners and organizations. The following chart provides an overview of the planning details developed to date.

	North East	South West	South East	North West	Core
Geographic Area Served	North of Dundas St, East of Adelaide St N	South of Springbank Dr, West of Adelaide St S	South of Dundas St, East of Adelaide St S	North of Springbank Dr, West of Adelaide St N	Core Location
Site Location	To be determined by RFP Process	Expansion of South London Community Centre, 1119 Jalna Boulevard	To be determined	To be determined	To be determined

	North East	South West	South East	North West	Core
<b>Number of Ontario Works Households to be Served</b> (based on estimated 2013 Caseload of 11,000)	2,180 approx	2,270 approx	2,450 approx	2,000 approx	2,100 approx  (700 representing households living in the core area; the remainder are on specialized teams that could be collocated with other partner agencies in other areas of the City)
<b>Staff Allocations</b>	40 staff approx	40 staff approx	40 staff approx	40 staff approx	40 staff approx for direct client services  50 staff approx in administrative and back office functions
<b>Potential Partners including collocated and hoteling opportunities</b>	To be confirmed once site selection finalized	Current partners at South London Community Centre including, South London Neighbourhood Resource Centre, Library Services, Settlement Services  Future partners to be determined	To be determined	To be determined	To be determined
<b>Services Provided</b>	<div>On site, full time:</div> <ul style="list-style-type: none"><li>- Ontario Works case management</li><li>- Intensive case management</li><li>- Job developer support</li><li>- Reception, employment referral and information</li><li>- Family support services, discretionary benefits, accounts receivable</li><li>- Administrative support</li></ul> <div>On site, as required:</div> <ul style="list-style-type: none"><li>- Support services for youth, addiction services, and homelessness</li></ul>				<div>On site, full time:</div> <ul style="list-style-type: none"><li>- Same as other sites</li><li>- Addiction services, youth services, homelessness services</li></ul> <div>Administration*:</div> <ul style="list-style-type: none"><li>- Senior Leadership Team</li><li>- Back office functions</li><li>- Employment/ Strategic Initiatives</li><li>- Compliance &amp; Business Supports</li><li>- Cheque production/related financial functions</li></ul> <div>*These operations could be located in the Core site or at another suitable decentralized site</div>

## FINANCIAL IMPACT

### Capital Costs

The total capital costs required for the South London Community Centre build is \$6.5 million. On April 19, 2011 Council approved a \$2.2 million contribution to the Facilities Reserve fund to use as a potential funding source to fund future facility / building initiatives, such as Ontario Works in the Community, subject to the approval of a business case. As well, on December 11, 2012, Council approved an additional \$2 million to provide a source of funding for facility-related initiatives such as the Ontario Works Decentralization capital initiative.

The remaining \$2.3 million in capital costs required for the South London Community Centre expansion is anticipated to be funded through the 2013 Operating Budget surplus should sufficient surplus be available. The capital project for the expansion of the South London Community Centre to house the South West Ontario Works office and expand space for Settlement Services of the South London Neighbourhood Resource Centre will be submitted for Council approval through the 2014 budget process.

The location of Ontario Works services within a city-owned facility will create a revenue stream effective 2015 that will pay back the cost of the capital build over time, as the rent that Ontario Works will pay to the South London Community Centre is eligible for 50% provincial cost sharing.

	Estimated Costs:
Capital costs for South London Community Centre build	\$6.5 m
Less: Amount set aside in Facilities Reserve Fund	(\$4.2 m)
<b>Total Capital Costs Remaining</b>	<b>\$2.3 m</b>

At this point, there are no capital costs anticipated for the other decentralized locations. Costs associated with the establishment of these offices, as well as the operating costs for the south London site, are identified as transitional operating costs, as shown below.

### Transitional Costs

There are a number of implementation costs associated with the transition of decentralizing Ontario Works services in London. The estimated costs are summarized below, noting that many of the costs are eligible for 50% provincial cost sharing. Because of implementation timelines, there is no impact to the 2013 Budget. Financial impacts will be on the 2014 to 2017 Budgets.

These estimated costs include many broad assumptions and are not based on any specific proposals or detailed specifications. Costs for each location will be further refined as the City's procurement process is completed for each site. Ontario Works Staff will work collaboratively with Financial Planning and Policy to identify transitional funding sources through the annual Budget development process.

	Estimated Costs :
Total leasehold improvements at the other 4 sites, starting 2014 - 2017	\$3.1 m
Transitional Operating Costs (eg. Additional lease, utilities, etc)	\$2.0 m
<b>Total Gross Costs:</b>	<b>\$5.1 m</b>
Less: Provincial Subsidy Cost Sharing at 50%	(\$2.55 m)
<b>Total Net City of London contribution</b>	<b>\$2.55 m</b>

As per the table above, it is estimated that the operating costs, including the cost of leasehold improvements the four other sites will total approximately \$5.3 million over the period of implementation 2014 to the end of the current Market Tower lease at March 31, 2017. The total net cost to the City would be approximately \$2.65 million, after 50% provincial subsidy.

SUBMITTED BY:	RECOMMENDED BY:
PINA SAURO MANAGER, ONTARIO WORKS CLIENT SERVICES	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME

- C:
- L. Livingstone, Managing Director Neighbourhood, Children and Fire Services

M. Hayward, Managing Director, Corporate Services & City Treasurer, CFO

B. Coxhead, Managing Director Parks & Recreation

A.L. Barbon, Manager, Financial & Business Services

S. Navaroli, CUPE Local 101 President

V. McAlea Major, Managing Director, Corporate Services & Chief Human Resources Officer