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<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON NOVEMBER 25, 2013</b>
<b>FROM:</b>	<b>SANDRA DATARS BERE MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME</b>
<b>SUBJECT:</b>	<b>PROVINCIAL SOCIAL ASSISTANCE SERVICE AND RATE STRUCTURE REVIEWS</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director of Housing, Social Services, and Dearness Home, this report **BE RECEIVED** for information purposes.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Report on the Social Assistance Review Commission (SARC): “Brighter Prospects: Transforming Social Assistance in Ontario” (CPSC: Mar. 18, 2013)
- Delegations and reports related to Community Start-Up Benefits with reference to rates and SARC recommendations (CPSC: Oct 22, 2012)
- Delegations and reports related to Citizen’s Advisory Panel- Report on the Social Assistance Review and Economic Inequality in London (CPS: Mar. 5, 2012)
- Directions related to the SARC in Ontario’s Discussion Paper 2: Approaches to Reform (CSC: Feb.,13, 2012)
- Child and Youth Network’s Policy Position Brief: A Housing Benefit for Families with Low Income (CNC: Aug 16, 2011)
- Child and Youth Network’s Position Paper: “Clearing the Path out of Poverty”... Step 2: Immediate Policy Changes to the Ontario Disability Support Program (CNC: May 17, 2011)
- London Community Housing Strategy (Council: June 20, 2010)
- Child and Youth Network’s Position Paper: First Steps to “Clearing the Path out of Poverty” (CPSC: Feb. 8, 2010)
- Child and Youth Agenda (CPSC: Oct. 6, 2008)
- Social Assistance Restructuring, (CPSC: March 17 ,2008)
- Towards an Anti-Poverty Strategy for London (CPSC: Dec. 10,2007)
- Social Policy issues (CPSC: Jan. 29,2007)
- COL Social Policy Framework Income Security Policy Paper (CPSC: Oct. 30, 2006)
- Social policy Framework - Income Security Policy - Draft Report. (CPSC: Aug. 21,2006)

<b>BACKGROUND</b>
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As part of recent discussions at Community and Protective Services Committee (CPSC), Civic Administration was requested to provide an update on actions taken by the province to review and modernize social assistance systems and benefit rates including those recommended by the Commission for the Review of Social Assistance in Ontario (SARC).

This report provides an update on these matters.



**Social Assistance Structure and Historical Reviews:**

The core of the Ontario Works (OW) and the Ontario Disability Support Program (ODSP) social assistance benefits structure has remained relatively unchanged for 4 decades and is generally comprised of 2 core benefit components:

1. An allowance for basic needs which, subject to various eligibility criteria, is primarily based on family size; and
2. A shelter component, based on a maximum allowable rate, also subject to family size.

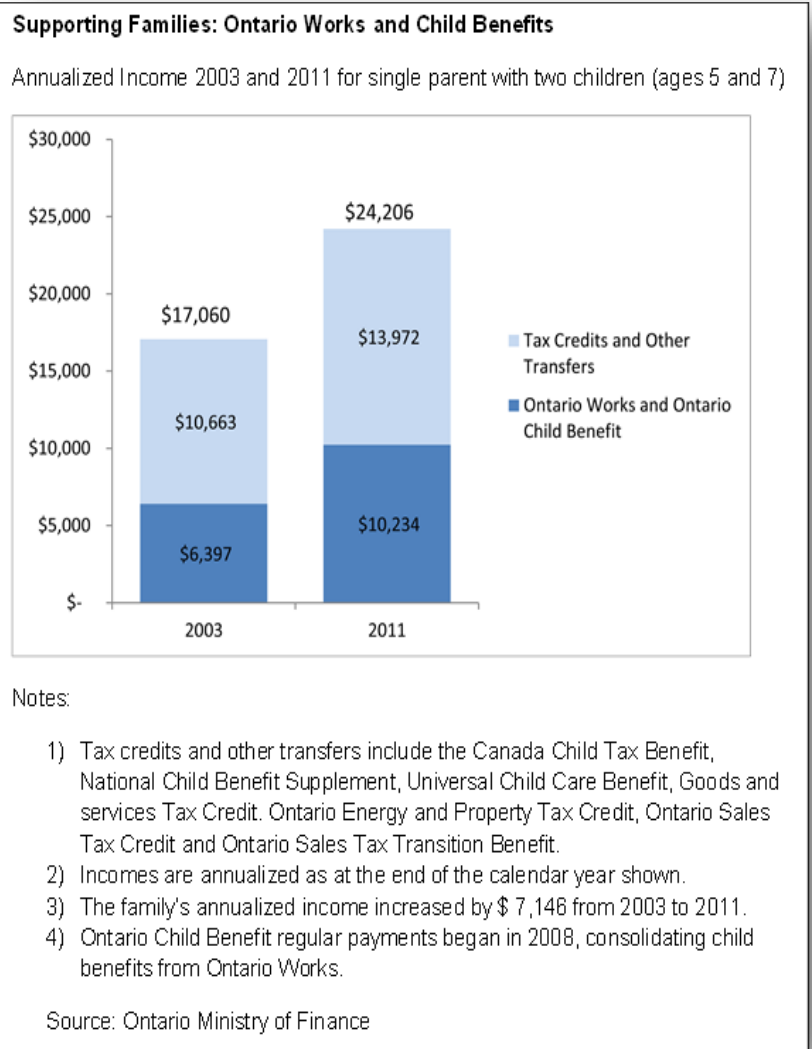
These services are often characterized by their historically intertwined set of provincial regulations, guidelines, and policies focused on the following areas:

- benefit rates and benefit structure;
- specific program agreements and funding (such as for the delivery of employment services, housing, or homeless prevention services);
- administrative costs and business tools; and
- provincial/municipal cost sharing, service and compliance monitoring responsibilities.

Over the past ten(10) years, these and other aspects of the Ontario social assistance system have been reviewed through a number of government commissioned reports, private academic and stakeholder reviews, and other broad advocacy efforts, focusing on the need to modernize the programs and the related client support benefits. An initial review of the current social services system was conducted in 2004 by MPP Deb Matthews in her role as Parliamentary Assistant to the former Minister of Community and Social Services. This report, entitled *A Review of Employment Assistance Programs in Ontario Works & Ontario Disability Support Program* identified that program recipients reported that low benefit rates acted as both a barrier to stability, employment, and child care and support. This report set the groundwork for numerous policy changes related to child poverty and social assistance simplification initiatives.

In 2007, the province announced a commitment to a comprehensive poverty reduction strategy, and to work with communities and partners to develop targets to measure and address child poverty. Following consultations, the Poverty Reduction Strategy was launched in December 2008. The strategy included the Ontario Child Benefit (OCB) and the introduction of Social Assistance Benefit Structure Changes for families with children on social assistance.

For social assistance recipients, the OCB replaced the basic needs allowance portion of their benefit tax credit for dependent children. The OCB, combined with related tax credits and a Universal Child Care Benefit (for children under 5) had an overall positive impact on social assistance benefit rates for children but did not address shelter rates or the structure of other benefits.





### **Commission for the Review of Social Assistance in Ontario (SARC):**

In October 2012, the Commission for the Review of Social Assistance in Ontario released its final report *“Brighter Prospects: Transforming Social Assistance in Ontario”*. The report was the culmination of a two year process which emerged as part of the province’s Poverty Reduction Strategy and was based on extensive public consultation, including in London.

The report established a long term vision for the transformation of social assistance into a simpler, more effective and accountable system that removes barriers to employment and increases opportunities to work. The 108 recommendations within the report called for transformative system changes in four key areas creating:

- A single, integrated social assistance program delivered at the local level;
- A simplified benefit structure;
- Strengthened accountability; and,
- Actions related to income security beyond social assistance programs.

In receiving the SARC report, the province did acknowledge both the depth of report findings as well as the complexity of implementing the large scale system and rate changes required to establish a renewed social services system in Ontario. Notwithstanding, the province has identified an ongoing commitment to the work of SARC in transforming social assistance in Ontario.

### **Provincial Responses to Social Assistance Rates and Fiscal Impacts:**

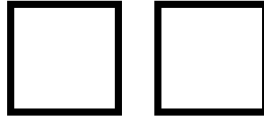
In order to address the more complex system changes proposed in the SARC report, the Ministry has begun setting up working groups and discussions with representatives from municipalities, delivery partners, past and current recipients, employers, academics, community organizations and others to help “set priorities and work through the choices needed to improve programs”. ([www.mcass.gov.on.ca/en/mcass/programs/social/social\\_assistance\\_review.aspx](http://www.mcass.gov.on.ca/en/mcass/programs/social/social_assistance_review.aspx)). A working group focused on employment related issues was convened earlier this year with a summary report of their finding. This report included discussions of changes to employment benefits needed to assist clients to exit social assistance.

The 2013 Provincial Budget introduced a number of changes based on the SARC review within the parameters of the Drummond report. These include:

- A 1% rate increase for all individuals and their families on Ontario Works;
- A \$14 top-up for single adults without children on Ontario Works. The top-up and the one per cent mean that single adults without children on Ontario Works would receive an additional \$20 per month in their basic needs;
- A \$200 per month earnings exemption to allow social assistance recipients to earn more without impacting their assistance;
- Extending the full exemption of earnings and training allowances, as income and assets, to all members of the benefit unit in full-time secondary school;
- An increase in Ontario Works asset limits (to \$2,500 for singles and \$5,000 for couples);
- A full exemption of primary vehicles as assets in Ontario Works, and an increase in the exemption for a secondary vehicle up to \$15,000; and
- More harmonized rules between ODSP and Ontario Works, such as those related to self-employment earnings and the treatment of gifts and voluntary payments.

Despite these actions, social assistance rates and participant benefits lag behind what is needed to adequately support those in receipt of assistance. For example, although social assistance rates have increased by 14.9 % since 2003, including a one per cent increase in 2013, these rate changes have been indexed based on a nominal percentage increase over their historical levels and not on any benchmark of cost of living or client needs.

Additionally, provincial efforts to simplify rate and benefit structures have had challenging outcomes. For example, at the same time as the Ontario Child Benefit (OCB) was introduced, other benefits intended to assisting families with the costs associated with students returning to school and for the purchase of winter clothing for children, were removed from the benefit



structure. More recently, as part of the Ontario Government's 2012 budget, the province eliminated the Community Start-Up and Maintenance Benefit (effective January 2013) while introducing a new consolidated funding model under the Community Homelessness Prevention Initiative (CHPI). This resulted in an overall reduction in provincial funding within a more flexible service delivery structure but less overall funding to the system.

Rate structures are still recognized as being below the basic need and shelter requirements of most clients, especially in areas with higher costs. However, modifications to rates have been contrasted as a challenge within current provincial budget priorities, deficit spending, and other economic considerations.

### **Local Responses to Social Assistance Reviews and Rates:**

Municipal Council has taken a number of consistent responses and strong positions related to provincial social assistance benefits. Council has consistently supported community responses calling on the province to modify benefit structures, including rate increases that provide increased stability for recipients; recognizing that as social assistance benefits costs should be best assigned to the province and not to the local property tax base.

Council has repeatedly invested local funding toward social benefits including reinvestment of cost shared funds that have been released as part of provincial program changes (such as the local savings from the end of the Community Start-Up and Maintenance Benefit being reinvested into local homeless services funds).

Council has supported submissions by the Child and Youth Network on community proposed poverty reduction strategies including a recommendation that the province consider a locally proposed housing benefits intended to supplement assistance levels in order to stabilize housing for those in need, including those in receipt of social assistance. This approach to a housing benefit was also shared with SARC as part of the community's recommended options in social assistance structure and rate change.

Council has supported other community efforts to advocate for social assistance rate changes. In March of 2012, Council has acknowledged the work of the Citizen's Advisory Panel on Social Assistance Review and Economic Inequality in London, extending the Municipal Council's appreciation for its efforts and encouraging the Advisory Panel to continue its work.

Council's approval of the London Community Housing Strategy, (LCHS) 2010 recognized the tie between social assistance benefit rates and housing security. LCHS Recommendation 3.2 advocated for Provincial increases to social assistance income support levels. This LCHS recommendation recognized that adequate income support is vital to the success of the housing strategy given that those in deepest core housing need often are in receipt of social assistance and living in substandard (overcrowded, unaffordable, unsafe, insecure) housing conditions which cannot be addressed through housing solutions.

Council's support of the Ontario Works Service Plan 2013-2014 recognized that the Provincial budget is expected to reflect a commitment to balance the budget by 2017 and will continue to balance the implementation of recommendations contained in the report by the Commission on the Reform of Ontario's Public Service and the SARC report. As noted within the local OW Service Plan, ongoing changes to social assistance policy, coupled with austerity budgets and an emphasis on outcomes points to the need for continued local advocacy to address mechanisms that ensure provincial accountability in providing those in greatest need with a benefit structure that ensures their capacity to remain housed and focus on their employment and other engagement capacities and their overall reduced reliance on assistance and other more expensive emergency programs and services.

With the support of the Province and within Council's continued advocacy for an appropriate provincial funded and supported social assistance benefit structure, the London region and City can work more effectively towards improved opportunities for London area workers as well as to implement actions that will help workers gain the skills needed to fill labour market gaps.

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**FINANCIAL IMPACTS:**

There are no financial impacts related to this report.

<b>SUBMITTED BY:</b>
<p><b>SANDRA DATARS BERE</b>  <b>MANAGING DIRECTOR</b>  <b>HOUSING, SOCIAL SERVICES AND DEARNESS HOME</b></p>

cc: Lynne, Livingstone, Managing Director, Neighbourhood, Children and Fire Services