

<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON JANUARY 21, 2020</b>
<b>FROM:</b>	<b>SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME</b>
<b>SUBJECT:</b>	<b>EMPLOYMENT ONTARIO TRANSFORMATION-SERVICE SYSTEM MANAGER - UPDATE</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to the Employment Ontario Service Transformation and Service System Manager Competition:

- (a) the Managing Director, Housing, Social Services, and Dearness Home or designate **BE AUTHORIZED** to negotiate any terms related to potential contracts with the Ministry of Labour, Training, and Skills Development related to the initiatives noted in staff report dated January 21, 2020 with respect to this matter;
- (b) the Civic Administration **BE DIRECTED** to obtain future approval from Municipal Council on any contractual agreements with the Ministry of Labour, Training, and Skills Development;
- (c) the Civic Administration **BE DIRECTED** to seek endorsement of initiatives from Municipal Councils located within the London Economic Region with respect to this matter; and,
- (d) the Civic Administration **BE DIRECTED** to submit reports and updates to Municipal Council through the appropriate Standing Committee regarding the Ontario Works – Employment Ontario Transformation.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Employment Ontario Transformation – Service System Management Competition (CPSC - June 17, 2019)

<b>STRATEGIC PLAN LINKAGES 2019-2023</b>
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**Strengthening Our Community**

- Londoners have access to the supports they need to be successful.
- Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city.

**Growing Our Economy**

- London creates a supportive environment where entrepreneurs, businesses, and talent can thrive.

**Leading in Public Service**

- The City of London is a leader in public service as an employer, a steward of public funds, and an innovator of service.

<b>BACKGROUND</b>
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The City of London’s Social Services area administers the Ontario Works program on behalf of the Province as a Consolidated Municipal Service Manager (CMSM). Ontario Works is an employment assistance and financial support program focused on helping individuals and families gain and maintain sustainable employment through training, education, developing “hard” and “soft” employment skills, linking participants to opportunities, and providing individualized supports as needed.

On February 12, 2019, the Ontario Government announced the transformation of its employment services to help more people find and keep quality jobs, and increase the number of businesses finding the right workers with the right skills. The Ministry of Labour, Training and Skills Development (MLTSD) formerly known as the Ministry of Training, Colleges, and Universities (MTCU) is modernizing the system by creating a new competitive, local service delivery model that integrates social assistance employment services into Employment Ontario.

In the new service delivery model, the Ministry (MLTSD), as system steward, will hold contracts with the newly created Service System Managers (SSMs). The SSM will be a third party organization, responsible for managing integrated employment service delivery and for achieving employment outcomes for a wide range of clients in defined catchment area(s), according to yet-to-be-determined outcomes framework set by the government. The SSMs will in turn manage relationships with Direct Delivery Agent(s) in the defined catchment area(s).

On July 2, 2019, the government announced that the new employment services model will launch in three diverse urban and rural communities: Hamilton-Niagara Peninsula, Muskoka—Kawarthas and Peel.

On August 29, 2019, the government issued a Request for Qualification (RFQ) to qualify proponents to participate in the subsequent Call for Proposals for SSM in the prototype regions. (See Appendix A for a list of the qualified proponents.)

### **Next Phases**

Service System Managers for the prototype regions are expected to be announced in early 2020, with a transition period running from January 2020 to September 2020. The Ministry will use a phased approach to implement the transformation. This is intended to ensure service continuity and client access to services is maintained as roles and responsibilities shift during the transition to Service System Manager oversight. The transition includes the following:

#### **Phase I – Planning (January 2020 – March 2020)**

This phase is intended to allow SSMs to establish themselves within the catchment area.

#### **Phase II – Transition (April 2020 – September 2020)**

During this phase, responsibility for managing EO and ODSP employment services service delivery will be transferred to the SSMs. However, SSMs will not be able to make changes to the service provider network during this period.

#### **Phase III – Integrated ES Delivery (begins on October 1, 2020)**

In this phase, transition is complete and responsibility of employment services for Ontario Works recipients will be transferred to SSMs. During this phase, the SSM will be permitted to make changes to the service provider network and will be fully responsible for the planning, design and delivery of in-scope employment services within the identified catchment area.

The government continues to further define the employment services to be included in the transformation as well as a new funding model. The government continues to work with OW Service Providers including consultations with the Director-Administrator Reference Group (DARG). Further details will follow as the prototype areas enter and complete the above Phases.

The government has not yet announced any further announcements, actions nor timelines with respect to Employment Ontario transformation in the London Economic Region. No details are available at this time. It is expected that the next phase of the transformation for the London Economic Region to begin in mid-year 2020.

### **Concurrent Considerations**

#### **Service System Manager (SSM) – London Economic Region**

In anticipation of a future announcement of the Employment Ontario transformation process for the London Economic Region, City of London Social Service staff have taken the following actions to position the City of London as a proponent in the competitive selection process:

- Created an internal working group to coordinate SSM efforts across multiple Corporate Service Areas
- Coordinated an external working group with regional Consolidated Municipal Service Managers (CMSM) in social services to assist in the development of a community engagement strategy in order to effectively develop a governance and service delivery framework.

Through conversations with London Economic Development Corporation (LEDC), Local Employment Planning Council (LEPC), and the Ministry, the City has been approached to participate in two potential projects. These opportunities which are in development will help prepare the City in its role as a potential Service System Manager for the London Economic Region.

**Labour Market Partnership – Participation Rates**

The London CMA has one of the lowest labour market participation rates in Ontario. The City of London has recently submitted a research proposal to the Ministry of Labour, Training and Skills Development to investigate who is not participating in the labour market, why they are not participating and more importantly what, if anything, would be able to draw them into the labour market. This research would focus on the 25-54 year old non-participating demographic.

The research findings will inform regional employment services planning and workforce development strategies, specifically around increasing labour market participation and thereby addressing regional labour shortages currently experienced across the London Economic Region. The City of London Social Services will report back to Municipal Council with further details, updates and any contractual agreements requiring approval, once the proposal is accepted by the Ministry and details are made known.

**Skills Advance Ontario Pilot – Training Program**

The Ministry of Labour, Training and Skills Development, through the Skills Advance Ontario program, currently funds sector-focused partnerships that connect employers with the employment and training services required to recruit, retain and advance workers with the right essential, technical and employability skills. Jobseekers are provided with sector-specific employment and training services along with coaching and support to obtain and maintain employment.

The City of London has held encouraging discussions with the Ministry of Labour, Training and Skills Development regarding the submission of a proposal for the London Economic Region, which includes London and Middlesex, Elgin and Oxford Counties. The City of London would act as the contract holder with the Ministry and coordinate service delivery across the region.

The City of London has met with regional stakeholders to further develop this concept and explore how the SAO program could be adapted across the London Economic Region to address labour shortages in the manufacturing sector. At an operational level, external stakeholders including social services, economic development offices and workforce development partners, from Elgin, Oxford, and Middlesex County have expressed their support for this initiative and for the City of London to take the lead.

The City of London Social Services will report back to Municipal Council with further details, updates and any contractual agreements requiring approval, once Ministry and project details are made known.

<b>FINANCIAL IMPACT</b>
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Currently the Ministry of Labour, Training and Skills Development has not disclosed the financial details of the respective SSM service contracts and at the time of writing this report, the Ministry has not announced the successful Proponents for the 3 prototype regions. During the consultation phase of the employment transformation process, the Ministry has indicated that all contracts would be “Commercially Viable” for the SSM to manage.

Funding for the Labour Market Partnership research project would be provided by the Ministry of Labour, Training and Skills Development and will include in-kind contributions from the City of London.

The Skills Advance Ontario – Training Program would be 100% funded by the Ministry of Labour, Training and Skills Development and will not negatively impact the projected Social Services Multi Year Budget for the 2020-2023 cycle. The proposal would include budget lines to offset any costs associated with project management and coordination provided by the City of London.

**CONCLUSION**

The employment transformation process is expected to be a highly competitive process with very condensed timelines for potential Service System Managers to respond. In order to maximize the City of London's position to compete in the process to become a Service System Manager for the London Economic Region, the completion of a Labour Market Partnership agreement and the initiation of Skills Advance Ontario programs in the region, would assist greatly.

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Cc: Elaine Sauve, Program Supervisor, Ministry of Community and Social Services  
Anna Lisa Barbon, Managing Director, Corporate Services & City Treasurer, Chief Financial Officer  
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