

April 5, 2004

To: Community Services Committee

From: Commissioner, Community and Neighbourhood Services

Subject: Toronto Social Services' Employment Assistance Renewal Strategy

Purpose:

The report will describe Toronto Social Services' (TSS') successful delivery of quality employment programs and services to Ontario Works (OW) clients, as well as new approaches to providing Employment Assistance (EA) services based on lessons learned and experiences gained over the past several years. The report will discuss key directions required to further improve EA services for clients, and briefly describe the process for consulting with stakeholders (including clients).

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

“It is recommended that:

- (1) the Commissioner of Community and Neighbourhood Services report in the Fall of 2004, after consultation with stakeholders, with recommendations that build upon current employment assistance programs and processes to further enhance the delivery of employment services for OW clients; and
- (2) the appropriate City official be authorized and directed to take the necessary action to give effect thereto.”

Background:

TSS has a long history of providing employment programs and supports to social assistance clients in Toronto, dating back to the 1970s. Reflecting the richness and diversity of Toronto's community services infrastructure, and recognizing the benefits of community-based service delivery, TSS has established wide-ranging partnerships and relationships with communities and agencies, many of which continue today.

With the introduction of OW in 1997, in conjunction with the mandatory participation requirements which are a central program feature, significant new resources were provided to municipal delivery agents by the Province for EA delivery. OW offers clients employment and financial assistance to cover basic needs while being engaged in activities that lead to jobs, or that increase employability. Supports (e.g., child care, transportation costs) are also available to enable clients to participate in various employment-related activities, including programming that may be funded by other levels of government.

Within OW program parameters, TSS has developed a made-in-Toronto approach to the delivery of employment services. The next phase in the evolution of TSS' employment service delivery model is discussed below. First, the compendium of factors that have contributed to the EA system existing today are described along with the impetus for EA renewal. Next, the lessons learned based on TSS' own experience delivering EA services together with the best practices employed by other jurisdictions and levels of government are discussed. Finally, the report outlines future strategic directions for EA delivery in Toronto and steps to be taken to refine and affirm the proposed approaches.

Comments:

I. Building on Strength

TSS has been a longstanding leader among municipal delivery agents in the provision of EA services to low income Toronto residents. Few other jurisdictions offer the range of employment supports or innovative service delivery solutions (e.g., sophisticated partnerships with large numbers of community-based service providers) available through TSS. Today, the Division is seeking to continue this tradition by renewing its strategic approach to EA in response to emerging service needs, particularly:

- (1) to ensure a range of options are available to address the diverse, and often complex, needs of Toronto's OW caseload, in the context of a highly competitive labour market;
- (2) to increase client access to, and transitions among, quality programs and services leading to sustainable employment;
- (3) to provide the tools and supports necessary to aid staff in balancing OW financial assistance obligations with the need to undertake quality employment assistance planning; and
- (4) to co-ordinate EA investment resources among service deliverers so that OW clients receive maximum value for the programs and services in which they participate.

At the time of OW implementation, TSS already had a mature employment services infrastructure in place. However, the rapidity with which the mandatory Provincial OW program was introduced required TSS to react quickly to ensure the Division's employment services met the mandatory requirements of the program. OW regulations and policies also established strict new rules for the delivery of EA programs, which limited TSS' ability to effectively use and manage these additional EA resources. Such obligations included: (i) a restrictive funding model; (ii) Provincial placement targets; (iii) a shortest-route-to-a-job emphasis; (iv) complex, detailed, prescriptive and counterproductive administrative obligations; (v) a lack of Provincial technological and business process supports; and, (vi) divisive impacts in the community stemming from negative perceptions of "workfare" style programs.

In fact, the implementation of OW introduced the most far-reaching changes to the delivery of social assistance in Toronto since the 1950s. Between 1998-2003, OW remained in a state of flux as the Province introduced major changes to the program, including:

- (1) a new mandatory service delivery model and new program technology, which resulted in further administrative complexities and operational prescriptiveness while failing to adequately support the delivery of OW (this has been discussed in several reports to Council, most recently being the March 5, 2003 report by the Commissioner of Community and Neighbourhood Services titled "The Evolution of Ontario Works: Critical Issues for Service Delivery" adopted by Council at its meeting of July 22, 23 and 24, 2003);
- (2) a new funding model, the most important aspects of which are briefly outlined in Attachment 1; and
- (3) a host of new policy initiatives affecting both financial and employment assistance under OW (e.g. mandatory literacy testing, the Learning, Earning and Parenting (LEAP) program for young parents, and escalating client placement targets).

In this light, a core part of EA implementation by TSS over the past five years has involved not only putting in place the new provincial initiatives listed above, but also developing capacity to effectively manage and deliver an EA program of the scale and scope required in Toronto. The Division introduced a series of interrelated steps, including:

- (1) development of a range of tools, supports and technologies for identifying client needs and employment readiness levels as a basis for working with individual clients (e.g. profile of caseload employment characteristics, data warehousing tools);
- (2) introduction of new processes and supports to enable staff to case manage effectively with clients who have different needs requiring different services and employment supports;
- (3) expansion of Employment Resource Centres (ERCs) to cost-effectively deliver key employment services to clients;
- (4) initiation of a competitive process in 1997/98 to select service providers for various employment programs;
- (5) creation of performance-based and outcome-focused targets for allocating funds to community agencies working with TSS, which are reviewed annually;
- (6) co-ordination of TSS employment services with those provided by other levels of government and the community; and
- (7) development of a set of principles to guide the successful delivery of EA programs and services in Toronto (see Attachment 2).

Within this constantly changing environment, TSS has effectively responded to OW implementation and integration demands, and has demonstrated continued program and service successes. Examples include:

- (1) the provision of training and employment placement services to between 5,000 and 7,500 persons annually from 1998 to 2003;
- (2) increasing the proportion of participants gaining employment through participation in the Division's skill development option from an average of 41 percent in 1999 to 52 percent in 2003;
- (3) successfully piloting innovative approaches to delivery for clients facing significant challenges to employment in 2002, through which 72 percent of participants who completed employment planning and preparation courses took the next step on the path to independence;

- (4) an average of 20,000 clients per month participating in basic education activities and English language upgrading;
- (5) consistently exceeding provincial community placement targets;
- (6) increasing client use of TSS' fourteen ERCs, culminating in a total of 85,406 visits in 2003; and
- (7) managing agreements with close to two hundred agencies to provide a wide range of employment services to clients.

Given these accomplishments, TSS, having a strong foundation and infrastructure in place along with the organizational will, is well-positioned to respond to key challenges in support of the ongoing evolution of its EA delivery system. Such challenges include the diversity of Toronto's OW caseload (in terms of family type, education levels, citizenship, personal barriers, etc.), the scale and dynamic nature of Toronto's labour market (characterized by rising entrance thresholds and volatile labour supply and demand fluctuations), the prescriptive requirements of OW, and the financial parameters established by the Province. (Ultimately, what is needed is a better integrated EA service delivery system to ensure clients receive more timely, appropriate and consistent services.)

By 2002, a mature, fully integrated EA program in Toronto required new strategies and approaches which build on the interim steps and solutions rapidly put in place during initial implementation, productively drew on the lessons learned through the implementation phase, and incorporated best practices and experiences of governments and employment services providers elsewhere.

The following sections provide an overview of TSS' EA renewal strategy, briefly discussing:

- (1) the knowledge and experiences that provide the basis for the changes required to improve the effectiveness of employment services and supports to TSS clients;
- (2) the goals and priorities that underpin TSS' EA strategy; and
- (3) the new directions for TSS' delivery of the range of EA services and supports available to clients.

II. Building on Experience

Central to TSS' EA renewal strategy was an in-depth review of the EA delivery system conducted over the past year. This review involved a comprehensive assessment of existing EA delivery practices and the identification of current and future pressure points and delivery issues. Specifically, the lessons TSS learned as an employment service provider, the best practices of other service providers, analysis of client need and feedback, and changes in the labour market formed the basis for moving forward.

The review consisted of several elements including: (i) a quantitative assessment of TSS' existing EA delivery capacity (e.g., appropriateness of programs and services provided, assessment practices); (ii) qualitative information gathered through a combination of focus groups and interviews involving targeted OW service providers, and TSS staff and managers; (iii) an external factors review which gathered information from other City departments (e.g., Economic Development) and federal/provincial partners (e.g., Human Resources and Skills Development Canada, Ontario Ministry of Training, Colleges and Universities); and (iv) a jurisdictional literature review.

The review helped to identify Divisional strengths, challenges and emerging issues. This was informed in part by TSS' own history as an EA service provider, which has demonstrated:

- (1) TSS' need to possess an informed and flexible EA service delivery infrastructure that responds in a timely manner to changing client and labour market demographics;
- (2) case management practices need to be focussed more on the service needs of clients while continuing to balance financial eligibility obligations;
- (3) as TSS' EA program has grown and expanded, so too has divisional awareness of the delivery potential within the broader employment services network (particularly given the number of agencies and organizations operating in historically under-served communities); and
- (4) TSS must continue to play a leadership role in the coordination of employment services for OW clients within this broader community (e.g. lead role in Toronto ERC planning committee).

TSS' experience in delivering employment programming (particularly since the inception of OW) was augmented by a review of best practices employed in other Ontario, Canadian and U.S. jurisdictions (including delivery strategies employed by other levels of government). Outcomes from this phase identified key components of successful employment program delivery, including:

- (1) employers should be involved (i.e., employment programs with direct links to employers tend to be the most successful);
- (2) training should be targeted (i.e., training customized to individual needs and local labour market conditions is most effective);
- (3) client service plans are essential (i.e., emphasis should be placed on the significance of individual client service plans that help link the individual with the right services and supports);
- (4) integrated and customized programming for clients facing significant challenges to employment contributes to more positive program outcomes (i.e., single point of contact for employment programs and supports such as life skills training, language upgrading and placement, etc., allows for better coordination of services for both clients and staff); and
- (5) job retention is as important as job placement (i.e., services should offer ongoing support after job placement and outcomes should be based on the percent employed with job retention supports).

Through this review, TSS reaffirmed its role as a key service provider within the broader employment services delivery system that exists in Toronto. To that end, a set of strategic directions, priorities and goals were formulated to guide the Division's EA approach (see Attachment 3). In essence, TSS seeks to contribute to the City's economic and social well-being by making strategic investments in OW clients that promote their labour market prospects.

Accordingly, the outcomes of the review provide a foundation for developing a multi-year, three-pronged approach customized to address the complex EA needs of Toronto's OW clients. The integral components to this approach include a redesigned case management system, intensified ERC services, and the engagement of service providers that will expand the range of opportunities to clients. A description of the three initiatives of the renewed EA strategy is provided in the section to follow.

III. New Directions for EA Service Delivery

A. Case Management

Effective case management is the core focus of OW service delivery. To facilitate seamless transitions between interventions and among service providers, quality case planning by staff, in conjunction with clients, will minimize many of the obstacles on the path to sustainable employment. In other words, case management is integral to ensuring that clients receive the right services at the right time.

Divisional staff have undertaken a comprehensive review of current case management practices, identifying key components of case management, critical OW service elements and numerous front-line delivery issues. The review will form the basis for a new case management framework that will allow for operational, policy and program delivery changes to foster improved case management capacity. Greater emphasis will be placed on addressing and responding to specific client needs while balancing the employment and financial requirements of the program. To this end, the Division will aim to increase internal capacity through the introduction of tools, training and supports necessary for effective case management.

B. Employment Resource Centres

Recognized as a strength in the EA review process, TSS' Employment Resource Centres (ERCs) will continue to be central to the delivery of employment services and programs to OW clients in Toronto. Located at each of the Division's fourteen local offices, the ERCs are a critical point of contact for clients by helping them to connect to programs available in the community and making available the tools needed to find and acquire work (e.g. computers, Internet, phones, faxes, job boards, and other information about employment). Proof of their importance is evident in the volume of clients who visit the ERCs, the extent of repeat usage, and the cost efficiency of the ERCs from a value for money perspective.

In conjunction with an analysis of current ERC infrastructure and program delivery, TSS has explored best practices in jurisdictions across North America, the United Kingdom and Australia. Based on this research and analysis, TSS will intensify services by expanding the capacity of its ERCs to better support client transitions. Concurrent improvements in case management will enable ERCs to better customize services which will address the specific needs of local communities and/or clients.

C. Engaging Service Providers

Given the lessons learned through the review and the flexible, although limited, revised EA funding model, TSS is proposing an integrated, flexible and responsive approach to engaging a broad range of service providers. The renewed approach introduces programmatic enhancements aimed at improving program quality and client outcomes. The primary mechanisms by which EA programs will be delivered to clients include:

- (1) Division-wide programs - employment programs, services and placements aimed at addressing the diverse needs of the OW caseload;
- (2) local initiatives - employment programs, services and placements targeted to the needs of a specific community/client group/employer through TSS' local offices; and

- (3) individualized services and supports - employment programs and services customized to the needs of an individual client.

The proposed approach to EA partnerships with service providers stresses a more appropriate balance of resources between the three service delivery approaches identified above based on the needs of clients, and divisional service priorities. This will require greater emphasis on local initiatives and individualized services and supports. For example, consistent with an increased emphasis on individualized services and supports, clients will be able to choose their own service providers based on TSS-developed guidelines and criteria. Further, through local initiatives, increased resources will be available at the local office level to respond to opportunities that may emerge in their communities, whereby services can be customized to the needs of a local employer. While Division-wide service delivery will still form a key part of the service delivery system, it will be targeted to meet emerging client and labour market demands.

The proposed approach must also provide TSS with the ability to engage new service providers in a timely fashion to better meet changing labour market demands and identify emerging employment opportunities. The Division will therefore explore options for conducting competitive processes best suited to address program goals and objectives within a changing social and economic environment.

Consistent with TSS' practice, the Division recognizes that a successful employment service strategy requires the collective input of clients, staff and community partners. Accordingly, TSS will consult with key stakeholders (e.g. clients, service delivery partners, broader-based community agencies who support TSS clients, other levels of government and relevant City departments) in the second and third quarter of 2004. This consultation approach will provide the opportunity for TSS to preview/refine its strategic EA directions, inform stakeholders of the proposed overall EA framework, and allow for the continued engagement of clients and others in the change process.

IV. Next Steps

In the fall of 2004, following consultation with key stakeholders, the Commissioner of Community and Neighbourhood Services will report back to Council on the new EA model. The report will outline the findings of the stakeholder consultations and update work on the EA renewal strategy, including the necessary processes and infrastructure required in order for the Division to effectively deliver employment services.

The target launch for the renewed EA service delivery approach is mid-2005. Introduction of new processes for engaging community service providers at that time will enable the Division to achieve the goals and objectives central to the Division's EA strategy. In the interim, TSS will continue to deliver quality employment services within existing program parameters, operational practices and service agreements.

Conclusions:

TSS has a long history of delivering employment services to social assistance recipients in Toronto. As a result, the Division was well-positioned to continue to provide its clients with quality EA programs as mandated with the introduction of OW in 1997. Building on its successes and the lessons TSS has learned through its own experience as an employment service provider, along with the best practices of other jurisdictions and levels of government, the Division is proposing a multi-year, three-pronged strategy to address the complex EA needs of Toronto's OW clients. The integral components of this strategy include a redesigned case management system, intensified ERC

services, and the engagement of service providers that will expand the range of opportunities to clients. Through these mechanisms, TSS will be able to respond in a timely manner to changing client needs, have the flexibility to respond to Toronto's dynamic and competitive labour market, and ensure value is returned for the resources expended. The Division will be consulting with key stakeholders, including clients, in the second and third quarter of 2004 to refine its approach before reporting back to Council before the end of the year.

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List of Attachments:

Attachment 1: Provincial EA Funding Framework
Attachment 2: Employment Assistance Principles
Attachment 3: Strategic EA Directions, Priorities and Goals

Attachment 1: Provincial EA Funding Framework

Changes to the Provincial funding framework for EA were introduced in 2000 to address a number of limitations with the previous funding model. The new framework established three levels of service, defined as basic, intermediate and advanced employment services. The amount of funding per client varies for each level of service reflecting the differential costs associated with assisting clients that are readily employable, versus those that need progressively more intensive services and programs to become employable.

The main feature of the three funding levels are noted below:

Level 1

- basic employment services
- includes independent and structured job search activities and use of Employment Resource Centres
- provides \$250.00 per client per year

Level 2

- intermediate employment services
- includes Community Participation (CP) (less than thirty hours per month), basic education and training, job specific skills training and regular Employment Placement (EP)
- provides \$1,000.00 per client per year

Level 3

- advanced employment services
- includes CP (more than thirty hours per month), EP where financial incentives are provided to employers, and self-employment services
- provides \$2,500.00 per client per year

Attachment 2: Employment Assistance Principles

EA programs and services will:

- (1) Respond to clients' diverse and unique needs and abilities.
- (2) Provide clients with program choices appropriate to their service needs.
- (3) Recognize that clients' participation requires that appropriate supports (e.g. child care, employment-related costs) be available and accessible.
- (4) Enable clients to move seamlessly among program components as dictated by their level of responsibility.

Attachment 3: Strategic EA Directions, Priorities and Goals

EA Directions

- (1) TSS will aspire to be a catalyst for building a more effective and integrated employment services and supports system for social assistance clients.
- (2) TSS will become known as an organization that invests in human capital.
- (3) TSS will contribute to the City's economic and social well-being by making strategic investments in OW clients that promote their labour market prospects.

EA Strategic Priorities

- (1) Provide innovative and efficient services and support clients to achieve their highest possible levels of independence and improve their quality of life.
- (2) Support clients' transitions among EA programs, and their transition to sustainable employment.
- (3) Assist mutual clients by collaborating with appropriate service providers to co-ordinate the delivery of the range of services that best meet client needs, including low income individuals and families.
- (4) Play a more prominent role in the design and delivery of employment and human services to ensure that they meet community needs in Toronto.
- (5) Increase the level of internal capability in delivering EA services.

EA Strategic Goals

- (1) To increase client access to, and transitions among, quality programs and services leading to sustainable employment.
- (2) To co-ordinate investment strategies among service deliverers so that OW clients receive maximum value from the programs and services they receive.
- (3) To influence future employment programs/policies/services to ensure that they meet community needs in Toronto.
- (4) To align Divisional resources (e.g. HR, budget, technology) with proposed EA strategic directions and priorities.