



## STAFF REPORT ACTION REQUIRED

### Working as One: A Workforce Development Strategy for Toronto

<b>Date:</b>	February 3, 2012
<b>To:</b>	Economic Development Committee
<b>From:</b>	General Manager, Toronto Employment and Social Services
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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*Working as One* sets out a framework and vision for workforce development in Toronto, to more effectively plan, manage and deliver services to employers and jobseekers, and specifically to develop an integrated and forward-looking employment service system. Building on the strong foundations that have already been established, *Working as One* proposes a number of recommendations to City Council to strengthen workforce development in Toronto and to continue and accelerate this progress.

*Working as One* results from ongoing discussions between City staff and a wide range of stakeholders. Through its day to day business, City staff engage employers, jobseekers, service providers and community organizations and other governments. For this reason, *Working as One* is necessarily a living document that can and must change and evolve through shared experience. As such, the City's approach to workforce development, and to the planning, management and delivery of employment services, will and must evolve based on what is learned by doing, what is successful and where the City can do better.

#### **RECOMMENDATIONS**

The General Manager of Toronto Employment and Social Services recommends that:

1. City Council endorse the vision, principles, and objectives contained in *Working as One: A Workforce Development Strategy for Toronto*;
2. City Council endorse the recommendations contained in *Working as One: A Workforce Development Strategy for Toronto*; and
3. City Council forward *Working as One* to the Premier of Ontario, and to appropriate provincial and federal ministries and departments.

## Financial Impact

There are no financial implications arising from this report.

## DECISION HISTORY

At its meeting on July 6, 7, 8 2010, City Council directed the General Managers of Toronto Employment and Social Services and Economic Development and Culture, in conjunction with the Executive Director of Social Development, Finance and Administration, to proceed with the development of an integrated workforce development strategy in Toronto and report to City Council on their progress in 2011.

<http://www.toronto.ca/legdocs/mmis/2010/cd/bgrd/backgroundfile-31342.pdf>

## ISSUE BACKGROUND

The need to continue to strengthen workforce development in Toronto reflects a number of key issues:

### *Persistently High Unemployment, especially among new labour market entrants*

- At 9.3%, Toronto's unemployment rate is significantly higher than that of the CMA (8.6%), Ontario (7.9%) and Canada (7.4%). Toronto's rate has been consistently higher than that of Ontario and Canada since 2001.
- Unemployment rates among youth and newcomers are at least twice the general rate and are higher in the city's poorest neighbourhoods.
- Fewer than 25% of the City's 130,000 unemployed residents can now access Employment Insurance. Meanwhile, the City of Toronto now provides employment services and financial assistance to approximately two-thirds (64%) of unemployed Toronto residents.

### *Fewer residents working; more receiving income supports, for longer and repeatedly*

- The city's labour force participation rate has fallen from 70% in 2003 to 64%. Youth participation rates have fallen from 62% in 2003 to 58%.
- As a result of the recession, Toronto's social assistance caseload has risen by 30% in the last 3 years to exceed 100,000. The length of stay continues to increase, especially for families with children.
- Increasingly, City residents are cycling between jobs and social assistance. In 2011, over 50% of new applicants had been on social assistance at least once in the past 3 years.
- Overall, more than 300,000 residents are in receipt of income supports through Ontario Works (168,000), Ontario Disability Support Program (88,900) and Employment Insurance (35,200).

### *Many services – No system*

- Employment services in Toronto are delivered by a diverse range of contracted agencies under different government mandates and with limited integration.

- The result is fragmentation, duplication and gaps, which make it difficult for employers and jobseekers to find and access the services and supports they need, when they need them.
- The lack of a system also means that there is no basis for determining the overall level of investments in workforce development in Toronto and no complete picture of the results being achieved.

## COMMENTS

### *Building on a Strong Foundation*

*Working as One* sets out a framework and vision for workforce development in Toronto. The full report is included as Attachment 1. In addition, Attachment 2 lists the recommendations proposed in *Working as One*.

*Working as One* builds on the strong foundations that have already been put in place, notably the new relationships and innovative and integrated ways of working that have been developed both internally across divisions, agencies, boards and commissions, and externally with employers, other orders of government, community organizations and others.

These new approaches are yielding positive outcomes. Through TESS, the City provides 135,000 individuals with employment and financial services. In 2011, more than 33,000 residents gained work as a result of these services, leading to significant cost savings. As part of this work, TESS worked with more than 140 employers. In addition, as part of the partnerships and activities facilitated by Social Development Finance and Administration, close to 5,000 residents of priority communities have been engaged in local planning or service initiatives. Appendix A in *Working as One* highlights the key initiatives that the City is undertaking.

*Working as One* seeks to continue and accelerate this progress. It makes a series of recommendations to Council, focusing on changes that the City can pursue with other governments, or changes that can be made at the City, to strengthen workforce development in Toronto, while also proposing actions that City staff can pursue to achieve the same goal.

Given the systemic changes that are necessary, a key recommendation of *Working as One* is that the City, working with the Federal and Provincial governments, convene an intergovernmental staff working group charged with advancing workforce development in Toronto, and notably the development of an integrated employment service system.

In addition, to ensure that there is a complete picture of the results achieved with the resources currently invested in workforce development in Toronto, *Working as One* recommends that the City, in conjunction with community-based service providers and other government ministries and departments, lead the development of Toronto's first

workforce development performance dashboard. The dashboard will collect and report on core data and outcomes from workforce and employment programs across Toronto.

### *An Appropriate City Role*

Working with employers, jobseekers, community organizations and other governments, and informed by its day-to-day business of planning, managing and delivering services to businesses and unemployed residents, the City has developed the know-how and relationships that are key to a successful approach to workforce development.

The City has a clear interest and role in ensuring that employers and jobseekers get the maximum value from the workforce development services currently available. Similarly, the City can work to ensure that Toronto residents get value for the resources allocated to the provision of these services. Gains that can be made in these areas will directly benefit not only jobseekers and employers, but also communities across the city.

While City leadership is important, *Working as One* also recognizes that there are many roles the City should not play. In many cases, employers are well served by existing private sector recruitment and workforce development services and do not require City services.

Similarly, the report acknowledges the importance of immigration and education within a workforce development strategy, and many of the initiatives described in *Working as One* involve approaches that integrate services in these areas with broader employment services and services to employers. However, because immigration and education policies are primarily the responsibility of the federal and provincial governments, as are programs and supports for those with disabilities, the report focuses on the delivery of services rather than policy and broader planning priorities in these areas.

### *A Focused and Pragmatic Strategy*

*Working as One* sets out a focused and pragmatic strategy to advance workforce development in Toronto. It does so by describing ways to better connect and support employers and jobseekers so that services are better aligned, more accessible, more effective and more efficient.

To guide the City's strategy and the concrete actions it takes, the report sets out a clear vision, along with a number of principles and objectives for workforce development in Toronto. This vision is rooted in the City's long standing provision of services to employers and jobseekers and the need to benefit both.

### *Key Outcomes*

Building on the diverse and wide ranging services currently provided to employers and jobseekers by community organizations, the City and other governments, the City's approach to workforce development seeks three related outcomes:

- Ensuring that all workforce development resources, including those managed by the City, help employers address their workforce needs and challenges;
- Ensuring that services available to jobseekers get the best outcomes for unemployed residents and for groups who find themselves outside the labour market or without the opportunities they need; and
- Obtaining the most value possible for employers and jobseekers, but also for city residents overall, by ensuring government resources are used efficiently and prudently.

Achieving these outcomes requires the City to continue to work closely with jobseekers, employers, community based service providers and other governments, all of whom are pivotal to advancing Toronto's workforce strategy.

### *Serving Employers and Jobseekers Better*

In recent years the City has adopted an approach to workforce development that focuses on three areas:

- ***Employment Planning*** is about working with businesses to identify, respond to and connect their workforce needs with the training and employment needs of jobseekers;
- ***Integrated Employment Service Planning and Management*** is about coordinating activities within the City and externally to leverage resources, reduce duplication and ensure that employers and jobseekers can better access the services they need; and
- ***Employment Service Delivery*** is about transforming the key elements of service delivery, such as customer service, programming, and technology, so that the services provided to employers and jobseekers are more effective and efficient.

For simplicity, the focus of *Working as One* is on the two main customers of this work, employers and jobseekers. Adopting the perspective of employers and jobseekers respectively, each section looks at the current challenges they face, describes the steps that are being taken to address them and identifies what needs to happen next to sustain this progress. Each section ends with a series of recommendations to City Council, focusing on changes that the City could pursue with other governments, or changes that can be made by the City, to strengthen workforce development in Toronto.

### *Conclusion*

Building on the work that has been done to date, and on what the City and others continue to learn about the best ways to meet the needs of employers and jobseekers, *Working as One* sets out key next steps required to bring the different pieces together required to develop a robust, integrated employment services system in Toronto. Such a system underpins a city-wide approach to workforce development that benefits employers, jobseekers and, ultimately, communities and residents across Toronto.

Developed in collaboration with the General Managers of Economic Development and Culture and Social Development Finance, *Working as One* complements other key City strategies, notably the Economic Development Strategy and the Toronto Strong Neighbourhoods Strategy 2020. While each strategy has a unique focus and independent goals, collectively they form the basis of a comprehensive and integrated City approach that seeks to better support residents, connect businesses and strengthen communities.

*Working as One* results from ongoing discussions between City staff and a wide range of stakeholders. Through its day to day business, City staff engage employers, jobseekers, service providers and community organizations and other governments. For this reason, *Working as One* is necessarily a living document that can and must change and evolve through shared experience. As such, the City's approach to workforce development, and to the planning, management and delivery of employment services, will and must evolve based on what is learned by doing, what is successful and where the City can do better.

## **CONTACT**

Heather MacVicar  
General Manager  
Employment & Social Services  
Telephone: (416) 392-8952  
Fax: (416) 392-8931  
Email: [hmacvic@toronto.ca](mailto:hmacvic@toronto.ca)

## **SIGNATURE**

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## **ATTACHMENTS**

Attachment 1: Working as One: A Workforce Development Strategy for Toronto

Attachment 2: Recommendations

**Attachment 1: Working as One: A Workforce Development Strategy for Toronto**

## **Attachment 2: Recommendations**

### **Section 1:**

- 1: The City request that, where appropriate, employment plans be developed as part of large public and commercial projects that are either directly funded by the City, or where the City provides significant non-monetary contributions.
- 2: The City work with the provincial and federal governments to ensure that employment plans are developed for major infrastructure projects led by other orders of government within Toronto.
- 3: The City explore the use of its procurement processes to increase access to local employment and training initiatives that advance its workforce development objectives.
- 4: The City pursue the development of effective gateways to simplify access to the City's workforce development services by working with business, community organizations, government and other key stakeholders.
- 5: The City develop an employer recognition program to encourage, support and recognize increased employer participation in workforce development efforts in the city.

### **Section 2:**

- 1: The City, working with the federal and provincial governments, improve the integration, coordination and alignment of employment services in Toronto, including consideration of appropriate funding, with the aim of developing a comprehensive employment services system.
- 2: Consistent with the priorities and objectives of the City's approach to workforce development, City staff lead a review of the current mix of employment centres across Toronto and forward the results to appropriate government partners.
- 3: The City work with the Province to extend the current mix of employment benefits to support individuals with the costs associated with accreditation, licensing and certification, where these represent a barrier to employment.
- 4: The City pursue options to provide more effective program supports to entrepreneurs to increase self-employment and business start-ups and promote job creation.
- 5: The City request that the federal and provincial governments eliminate Employment Insurance qualification as a precondition for accessing provincially managed training and employment programs for unemployed Toronto residents.
- 6: The City work with the Province to increase the number of unemployed city residents who can access Provincially-funded training programs such as Second Career, bridge training and pre-apprenticeship programs



7: The City request that the Federal government make necessary changes to the Employment Insurance Act to increase access to Employment Insurance for unemployed people in Toronto.

8: Based on the recommendations contained in this report and previous City positions, the City request that the Province redesign social assistance to simply and streamline the administration and delivery of income supports and strengthen the provision of employment services and benefits, thereby reducing barriers to employment.

**Section 3:**

1: City staff develop a workforce development dashboard with the objective of gathering and reporting key information about workforce and employment programs across Toronto.

2: The City request the Province establish an inter-governmental staff working group to further the integration and streamlining of employment services to advance the City's workforce development objectives.