

Attachment 1

Section A: Summary of Engagement with External Stakeholders and the Province

External Stakeholders (see Attachment 2 for the Engagement Final Report)

In May 2021, Council directed staff to engage with community and workforce development stakeholders to assess how the City of Toronto can best advance its workforce development priorities and support residents in a transformed employment services system, including whether the City should pursue the new employment service system manager role.

In response, Toronto Employment and Social Services established an inter-divisional working group including Economic Development and Culture, Social Development, Finance and Administration, and Toronto Public Library, to lead the work on Employment Services Transformation for Toronto and develop options for consideration. At the same time, Toronto Employment and Social Services engaged a labour market consultant, Tom Zizys, to help guide this work.

Together, City staff and the consultant engaged more than 100 key stakeholders via interviews, focus groups, and a survey. Interviews were carried out with Employment Ontario employment service providers, workforce development intermediaries, networks of organizations involved in either employment services and/or workforce development, community colleges and school boards, policy advocacy groups, individuals with expert knowledge, and each of the three prototype Service System Managers. Focus groups involved City staff, social assistance clients through the Jobseeker Advisory Group and community stakeholders, including front-line service delivery organizations and advocacy groups or organizations representing networks of organizations. A survey was distributed to organizations who had not participated in either the interviews or focus groups.

Staff also undertook a separate engagement with key Indigenous service providers.

Summary of Key Perspectives

The consultant's report (attached) details the key perspectives of participants with regard to the City's role in the transformed employment services system are noted below.

1. The City should take the lead in pursuing the Employment Service System Manager bid
 - A majority of participants felt that the City should take a lead role in relation to the Employment Service System Manager bid, either on its own or, preferably, in partnership with the community sector.
 - This opinion reflects the fact that the Employment Service System Manager in Toronto will oversee a system that is significantly more complex than others given the client volumes, the complexity and diversity of the client base and the extensive service delivery network.

- The City's administrative capability, capacity, knowledge of the employment landscape, familiarity with the target client population, and existing partnerships were seen as significant strengths.
 - That said, it was acknowledged that a bid to implement an effective Employment Services System Manager role to meet the unique needs of Toronto residents would need to incorporate a broad set of accompanying strategies that are beyond the scope of the current model. These complementary strategies could require additional investment, resources and/or leadership by the City.
 - While a large number of participants felt the City should take a lead role in this work, most felt that any City role must be supported by strong partnerships with a range of community organizations.
2. The City should take on an enhanced role in Toronto's broader workforce development ecosystem
- While a range of entities undertake considerable workforce development activity in Toronto, this often takes place in program and funding silos with limited system-wide planning or coordination. Funding comes from different sources, which contributes to the fragmented nature of workforce development.
 - Workforce development stakeholders expressed the need for a more coordinated approach to engaging with employers, access to better labour-market information, and a more rational funding framework. Educators and employment service providers seek more support to promote work-integrated learning opportunities.
 - Participants also felt that the City's existing workforce development strategy ([Working As One](#), 2012) needs to be updated to emphasize poverty reduction and equity, diversity and inclusion goals, as well as positioning the City as a model of an anchor institution which leverages its procurement and hiring policies to generate better labour market outcomes for residents.

There was strong support among stakeholders for leveraging workforce development as a way to achieve broader objectives within the new system, such as deeper partnerships with other stakeholders, promoting industry sector strategies and higher quality jobs and employment standards, and producing better labour market intelligence regarding employer needs.

Despite the perspective that the City should bid to be the Service System Manager most stakeholders that were engaged raised a number of concerns around the Integrated Employment Services delivery model's ability to achieve expected outcomes in the Toronto Service Area. These concerns included the expected gap in training and pre-employment programming previously discussed as well as:

- A disconnect between the Province's Workforce Development initiatives/plans and employment services – seen as key to ensuring innovative approaches to moving residents to employment in particular those residing in underservice communities and from underservice and equity deserving populations;

- Lack of experience and resources among many current Employment Ontario Employment Services providers in addressing the needs of those furthest from the labour market;
- Concern around privatization of the system and the potential that organizations currently contracted with the City would experience funding reductions, some with significant organizational impact; and
- Lack of adequate funding to enhance service provider capacity and to support the model's enhanced performance management framework.

Key perspectives raised by Indigenous stakeholders were articulated in the City's response to the Province's Market Sounding process discussed below.

Understanding Perspectives of Stakeholders

While the majority of stakeholders engaged felt the City should play a lead role in a bid for the Employment Services System Manager role, it is important to note that they held varied perspectives, priorities and understanding of key elements of the employment services system. The analysis provided in this report has attempted to clarify and correct a key underlying assumption held by many stakeholders in support of this position, namely that the City would have the ability and financial resources in its role as the Employment Service System Manager to address the key challenges the current Integrated Employment Services delivery model would present in the Toronto Service Area.

Engagement with the Province

Toronto Employment and Social Services has worked closely with the Ministry of Children, Community and Social Services in the co-design of key initiatives and elements under Social Assistance Renewal.

While elements of Employment Service Transformation involve decisions by Ministry of Children, Community and Social Services (specifically Ontario Works Program Delivery funding and City's enhanced role in delivering stability supports), primary responsibility for program development and implementation lies with the Ministry of Labour, Immigration, Training and Skills Development. To this end, City staff have proactively engaged with the ministry to gain a better understanding of the Integrated Employment Services model, clarify assumptions and offer recommendations on potential adjustments to the model that would assist in achieving its intended outcomes.

Market Sounding Response

In November 2022, City staff responded to the ministry's Market Sounding call on the Toronto Service Area. Through this process, the ministry posed a number of specific questions regarding considerations for implementing the Integrated Employment Services model in Toronto. Staff's response (attached) included the following key recommendations to the Province.

1. Equitable access to appropriately focused programs and supports

To ensure Ontario Works clients continue to have equitable access to appropriately focused training and skills development and pre-employment programming and supports it is recommended that the Province:

- Continue the provincial funding to maintain/enhance the current network of pre-employment and training and skills development programming currently funded under the Ontario Works program in Toronto, either by continuing to fund the City to manage this network of programming or directing the new ESSM to reinvest transferred funds from Ontario Work Program Delivery Funding into this programming.
- Establish priority access to Employment Ontario Training Programs for Ontario Works clients and implement new provincial investments in Better Jobs Ontario to support the increase in eligible pool of recipients due to Integrated Employment Services.
- Establish a clear definition of “pre-employment” supports and clearly delineate responsibility for the delivery of these supports and ensure provincial funding and responsibility align.
- Implement Ontario Student Loan forgiveness for Ontario Works clients completing micro-credentialing training and/or fund the City of Toronto or the ESSM to directly fund micro-credentialing programming.
- Clearly delineate roles and responsibilities between the ESSM and the Ontario Works provider with respect to these vital enabling supports and ensure that funding aligns with the designated responsibility.

2. Employment services that meet the complex and diverse needs of City residents

To ensure the right mix of programming and service providers to address the diverse needs of City residents it is recommended that the province require the successful Employment Services System Manager for Toronto to establish a local service system advisory board with cross sectoral representation to develop:

- A diverse network of Employment Ontario Employment Services providers, including a strategy to remove historical barriers for small organizations deeply embedded in underserved communities to become an Employment Ontario Employment Services provider.
- A longer-term vision for Integrated Employment Services in Toronto that expands beyond the integration of social assistance employment supports to create a broader seamless integrated employment system that includes pre-employment, training and skills development, employer engagement, and retention and focuses on leveraging the breadth of programming within the catchment area
- It is also suggested that the Employment Services System Manager work with the Ministry of Labour, Immigration, Training and Skills Development to integrate the Province’s Workforce Development Action Plan, ensure inclusion of workforce intermediaries, including sector leaders and anchor

employers and for Ministry of Labour, Immigration, Training and Skills Development to consider partnering with key stakeholders in the Toronto Service Area in establishing a coordinated and focused workforce development strategy for the Service Area.

3. Indigenous Service Delivery

City staff undertook a separate engagement with key Indigenous service providers. Informed by the key themes arising through this process and to ensure an effective employment services system for Indigenous residents, it is recommended that the Province engage Indigenous organizations and individuals in conversation regarding what will work best for Urban Indigenous peoples, such as the creation of a separate Indigenous led SSM for Indigenous Employment Services in Toronto. Alternatively, in the absence of separate Indigenous led employment services system, it is recommended that the new SSM be required to directly involve key Indigenous partners in the governance structure of the SSM.

Follow-up with the Province

In December 2022, the General Manager, Toronto Employment and Social Services wrote to the ministry requesting feedback of recommendations offered to date, in particular those focused on adjustments to the Integrated Employment Services delivery model for implementation in the Toronto Service Area. To date, the ministry has not formally responded to these recommendations.

Section B: Impact of Funding Withdrawal

2023 Budget – Employment Benefits and Programming (Toronto Employment and Social Services)

Employment Related Financial Benefits	29.4
- Includes transportation, digital benefits, certification fees, work equipment, clothing and grooming, other	
Employment Programming	
- Investing in Neighbourhoods	6.1
- Purchase of Services	13.9
- Wrap-Around Services	3.3
- Other	1.5
	24.8
TOTAL	54.2

What

- The estimated withdrawal of Provincial funding from the City's Ontario Works Program Delivery Funding allocation as a result of Employment Services Transformation is \$38.6M.

When

- The withdrawal will occur following the transition period for the onboarding of the new Employment Services System Manager for Toronto – based on current understanding the withdrawal is expected to impact the 2025 Budget.

Impact

- In 2023, the City's projected expenditures for employment financial benefits and programming are \$54.2 million, all of which is 100% Provincial funding.
- Under the current Program Delivery Funding model the estimated residual Provincial funding following the withdrawal is \$15.6 million.
- This residual will be used to provide enhanced stability supports to Ontario Works clients following the post-Employment Service Transformation implementation. The City will not be able to use this residual to fund duplicative employment supports and services being funded under Employment Ontario.

Section C: Employment Services Transformation: Employment Service System Managers Selected to Date

Note: Service areas with Municipal Service System Manager noted with asterisk (*)

Service Area	Service System Manager	Description	Implementation Date
Peel	WCG	Canadian subsidiary of the International APM Group Pty Ltd. (APM), a global human service organization based in Australia	January 2021
Hamilton-Niagara	FedCap Inc.	Serving over 250,000 people each year across an international footprint (Canada, US and UK), the Fedcap Group delivers services within four major 2 areas of practice (workforce development, educational services, occupational health services and economic development)	January 2021

Service Area	Service System Manager	Description	Implementation Date
Muskoka-Kawarthas	Fleming College	Ontario College of Applied Arts and Technology located in Peterborough, Ontario	January 2021
York	WCG	See Peel above	April 2022
Halton	FedCap Inc	See Hamilton-Niagara above	April 2022
Stratford-Bruce Peninsula *	The Corporation of the County of Bruce	The Corporation of the County of Bruce leads a consortium that includes the Corporation of the County of Grey, the Corporation of the County of Huron, and the Corporation of the City of Stratford.	April 2022
Kingston Pembroke	Serco Canada Inc.	Serco Canada Inc. is part of a consortium with Deloitte Canada Inc. and Thrive Career Wellness Inc. Serco Canada Inc. currently supports federal and provincial governments in Newfoundland and Labrador, Ontario, Saskatchewan, and British Columbia with a range of services, and has international operations in several countries including providing health care management services in the UK	Selected September 2022 (12 month transition)
Durham *	Regional Municipality of Durham	A consortium comprising the Regional Municipality of Durham, Durham Workforce Development Authority and Durham College	Selected February 2023 (full transition Jan 2024)

Service Area	Service System Manager	Description	Implementation Date
London *	Corporation of the City of London	CCL is the service system manager for OW, child care and housing programs across the London-Middlesex Region	Selected February 2023 (full transition Jan 2024)
Windsor-Sarnia *	Corporation of the City of Windsor	A consortium comprising City of Windsor and the Workforce Development Board of Windsor Essex	Selected February 2023 (full transition Jan 2024)
Kitchener-Waterloo- Barrie	Serco Canada	(see Kingston Pembroke above)	Selected February 2023 (full transition Jan 2024)
Ottawa	WCG	See York and Peel above	Selected February 2023 (full transition Jan 2024)

Section D: Key City of Toronto Priorities/Initiatives

Toronto Poverty Reduction Strategy

[Toronto Poverty Reduction Strategy](#) is a concrete 20-year plan that focuses on housing stability, services access, transit equity, food access, the quality of jobs and incomes, and systemic change. The Strategy is a corporate-wide plan that provides overall direction on the City's strategic poverty reduction priorities.

A number of City priorities fall under the above key pillars of the strategy, and are intended to address the social, economic and employment barriers faced by the City's most vulnerable residents, including those in receipt of social assistance. These priorities and initiatives include, but are not limited to:

- SafeTO - focuses on creating a culture of prevention through collaboration with the community, other orders of government and community safety organizations, and includes initiatives such as an alternative crisis support service model that is community-led, client-centred, trauma-informed and focused on reducing harm, the establishment of Toronto Office to prevent gun violence.
- Community Benefits Framework - focuses on ways to maximize the use of City levers (such as procurement, real estate transactions, or financial incentives for specific sectors and uses) to create inclusive and equitable economic opportunities for residents.
- HousingTO Action Plan - recognizes that housing is essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities and provides a blueprint for action across the full housing spectrum

- from homelessness to rental and ownership housing to long-term care for seniors.
- [Addressing Food Insecurity](#) – through initiatives such as Black Food Sovereignty Plan.
- [Transit Fair Pass](#) – creates access to more affordable public transit for low income residents.
- [Youth Focused Strategies](#) – focused on enhancing youth engagement, equity, safety, participation in communities and economic opportunities.

Reconciliation Action Plan

[The Reconciliation Plan](#) will guide the City’s actions to advance truth, justice and reconciliation for the next 10 years, from 2022 to 2032. The Plan includes 28 actions across 5 themes that will contribute to the visibility and overall wellbeing of First Nations, Inuit and Métis Peoples in Toronto through placemaking and placekeeping, supporting economic development and prosperity, increasing civic engagement, honouring Indigenous ways of knowing and being, and recognizing rights to self-determination and self-governance.

Toronto Action Plan to Confront Anti-Black Racism

[The Toronto Action Plan to Confront Anti-Black Racism](#) lays out actions to help ensure that municipal services, spaces and policies become fully inclusive and accessible to Black Torontonians in both intent and in practice focusing on 5 themes: Children & Youth Development, Health & Community Services, Job Opportunities & Income Supports, Policing & the Justice System, and Community Engagement & Black Leadership.