



Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites

**Understanding and Addressing Demand While Improving
Financial Accountability to Stretch Dollars Further**

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**AUDITOR
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Executive Summary

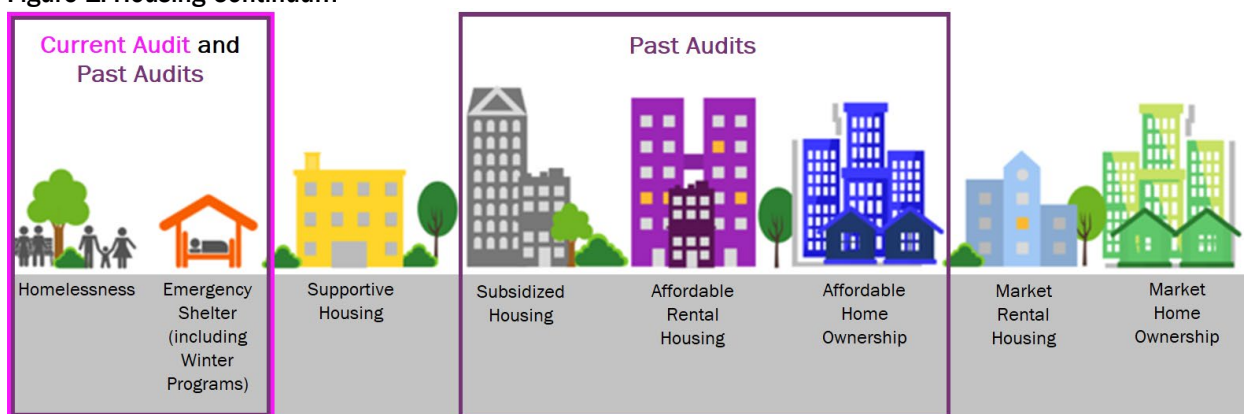
Auditor General has conducted a series of audits in areas along the housing continuum

In 2017, the Auditor General began a series of audits in areas that fall along the housing continuum. This series of audits is timely as the City of Toronto (City) continues to move forward with the delivery of its priority actions identified in both the [HousingTO 2020-2030 Action Plan](#) and the [2024-2033 Homelessness Services Capital Infrastructure Strategy](#).

Audit of Warming Centres and Winter Respite Sites

Figure 1 shows the areas of the housing continuum that have been included in past audits, as well as the current focus of this audit, winter programs (specifically Warming Centres and Winter Respite Sites) overseen by the Toronto Shelter and Support Services (TSSS) Division.

Figure 1: Housing Continuum



Audit objectives

This audit aimed to answer the following questions:

- Are individuals experiencing homelessness turned away¹ from Winter Respite Sites and/or Warming Centres?
- Are Winter Respite Sites and/or Warming Centres operated cost-effectively to maximize use of the constrained resources, such as budget, number of sites and/or number of operators?

¹ Turnaway refers to occasions or circumstances when individuals cannot be provided with space to stay indoors overnight at a Winter Respite Site, Warming Centre, or Surge Site on the night they seek that space. See **Exhibit 1** for a glossary of key terms used in this report.

City's Winter Services Plan to support people experiencing homelessness

People experiencing homelessness are particularly vulnerable to illness and injury as a result of exposure to cold temperatures. Each year, the City releases a Winter Services Plan to provide additional capacity and services to support individuals experiencing homelessness during the cold winter months (November 15 to April 15), when health and safety risks are higher than normal. TSSS works with various community partners to provide these services and programs for those experiencing homelessness.

Winter Respite Sites and Warming Centres have different operating requirements

The winter-specific programs included within the scope of this audit are described as follows:

- **Winter Respite Sites** are open 24/7 during the winter and have the same operating requirements as the year-round 24/7 Respite Site programs offered by the City. 24/7 Respite Sites prioritize ease of access to beds², and provide meals and service referrals for individuals experiencing homelessness. 24-Hour Respite Sites are accessed by calling Central Intake or by walk-in to a service location.
- **Warming Centres** focus on getting and keeping vulnerable residents inside. Warming centres provide beds, meals, access to washroom facilities, and referrals to emergency shelter. Individuals experiencing homelessness access Warming Centres on a walk-in, first-come, first-served basis. and not through calling Central Intake.

Warming Centres are **activated when temperatures are expected to fall below -5 °C (or -15 °C for Surge Sites**, which are Warming Centres that only operate on the coldest days) and/or when Environment and Climate Change Canada issues a winter weather event warning.³

² In this report, “bed” is used interchangeably with “resting space”. TSSS’ 24-Hour Respite Site Standards defines a “resting space” as a cot, mat, or similar apparatus and associated space that can be assigned to a client and where a client can lay or rest.

³ As highlighted in TSSS’s [2023 Annual Report](#), City Council approved a staff report in May 2023 that recommended changing the criteria for activating Warming Centres. Starting with the 2023/2024 winter season, instead of opening at -15 °C, Warming Centres would open at -5 °C or during a winter weather event warning (e.g., freezing rain).

What We Found: Audit Results in Brief

Our key findings are summarized below:

A. Opportunities to Better Understand and Address Demand for Winter Respite Site and Warming Centre Beds

TSSS instructed programs not to turn away clients during extreme cold temperatures

On January 16, 2024, TSSS issued a bulletin to all shelters, respites, and cold-weather drop-ins (including Warming Centres), instructing shelter system operators to not turn away clients on the coldest nights of the winter. Specifically, TSSS directed that:

“During Extreme Cold temperatures, it is imperative that shelter, respite and 24-hour Drop-in providers do not turn away individuals who are looking for shelter or a place to come inside from the cold. Programs should temporarily suspend all service restrictions except in circumstances where the individual poses an immediate threat or danger to others.”

People experiencing homelessness are turned away from the shelter system daily

We found that people experiencing homelessness are turned away from the shelter system on a daily basis because it is often operating at or near full capacity. During the 2023/24 Winter Season, there were 174 people, on average, who called Central Intake daily but were unable to be matched to a bed.

Some Warming Centre and Winter Respite Sites turned people away daily

However, TSSS does not track the number of people who walk into a Warming Centre or Winter Respite Site but are turned away when beds are not available. Consequently, the total demand for beds for TSSS’ winter programs is not known. Staff at several of these programs advised that they turned some people away, with staff at three Winter Respite programs and one Warming Centre indicating that their program turned people away on a daily basis during the winter.

Collecting data on the number of people unable to access bed on a drop-in basis can provide a more complete understanding of unmet demand

Collecting more data would help TSSS better understand the number of people⁴ who arrive at a site looking for a bed indoors, but who need to stay in overflow⁵ spaces or who leave the site because no beds are available. This information would provide TSSS with a more complete understanding of unmet demand during winter months and will help TSSS to plan accordingly.

⁴ Given the low-barrier approach to service delivery, TSSS and Warming Centre and Winter Respite Site operators can count the number of people who attend at a site but may not record further identifying information into the Shelter Management Information System (SMIS) where a client intake is not completed.

⁵ Overflow space refers to an indoor area where clients can wait to be admitted to a bed.

Contingency plans should be in place for when the system is full

To improve its planning, TSSS should develop a contingency plan, recommending to City Council the steps to be taken when the system (including existing Warming Centres, Surge Sites and Winter Respite Sites) is full, to ensure individuals experiencing homelessness can find a warm space indoors during extreme weather or cold temperatures.

Bed nights were not available at Warming Centres and Winter Respite Sites for certain parts of the winter season

We also found that additional bed nights potentially could be provided if changes are made to TSSS' practices. In reviewing data available for the 2023/24 winter season, we noted that beds at certain Warming Centres and Winter Respite Sites were not available for certain portions of the winter season and for various reasons as described below.

Beds were left vacant as Warming Centres were deactivating

Specifically, when Warming Centres are deactivated, they stop admitting new clients, as directed by TSSS. Central Intake staff work to match clients remaining at the sites to alternative spaces within the shelter system. Since Warming Centres do not admit new clients while deactivating, beds were left vacant as the remaining clients were discharged. TSSS had budgeted for Warming Centres to be open and operating at full capacity for the entire 2023/24 season. Therefore, it is possible that beds at these sites could have been used to ease system capacity pressures during the winter within the existing funding constraints.⁶

Beds at certain Winter Respite Sites were not available as programs ramped up and ramped down

Beds at certain Winter Respite Sites were not available at times because:

- Some programs took time to ramp-up and/or TSSS instructed them to limit the beds made available until later in the winter season for the coldest months of the year, so their full capacity was not available immediately upon opening.
- Some programs stopped admitting new clients while ramping down operations, as TSSS worked with the programs to refer clients elsewhere prior to the site closures, resulting in many beds left unused as clients were discharged.
- Some programs opened after the start date in their agreements because they needed more time to prepare.

⁶ According to an [April 2023 staff report](#), when TSSS reviewed the 24/7 Warming Centre model, the lack of showers, kitchen, storage and office space were key areas of concern for continuous operation of Warming Centre sites. Further, many people highlighted issues related to the lack of onsite housing, health, and social / recreational supports. However, the report also noted that nearly 90 per cent of stakeholders surveyed agreed or strongly agreed that the City should establish Warming Centres wherever space can be found, even if not all of the features were available.

Opportunities to offer additional beds

Additional bed nights would help reduce the risk that an individual experiencing homelessness is unable to find a bed indoors during the winter. As summarized in **Table 1**:

- **4,331** bed nights were left vacant when Warming Centres were deactivating and no new clients were admitted.
- **8,411** bed nights at certain Winter Respite Sites were not available as: programs ramped up and ramped down; beds were temporarily withheld by TSSS at the Better Living Centre; and some programs opened after the start date in their agreements.

While we recognize that it is unlikely that TSSS will be able to make every bed at every site available for the entirety of the winter season, action can be taken to make more bed nights available. Every bed night matters when helping to improve outcomes for people experiencing homelessness, particularly when they are most vulnerable during cold weather.

Table 1: Bed Nights That Were Not Available at Warming Centres and Winter Respite Sites During the 2023/24 Winter Period Where There is an Opportunity to Make More Beds Available With a Change in TSSS Practices

Reasons That Beds Were Not Available	Number of Bed Nights Not Available
Warming Centre: Sites were deactivating and not admitting new clients (Refer to Section A.2)	4,331
Bed Nights Not Available at Warming Centres	4,331
Winter Respite Sites: 30 beds (daily) at each of the two programs located at the Better Living Centre were <i>held back</i> at TSSS' direction until later in the winter season (Refer to Section A.3.a)	1,080
Winter Respite Sites: Programs took time to ramp up and their full capacity was not available immediately <i>upon opening</i> (Refer to Section A.3.a)	1,403
Winter Respite Sites: Programs were ramping down <i>ahead of their closure / the end of the winter season</i> (Refer to Section A.3.b)	3,528
Winter Respite Sites: Some programs opened after the start date in their agreements (Refer to Section A.3.c)	2,400
Bed Nights Not Available at Winter Respite Sites	8,411

B. Improve Financial Accountability to Stretch Dollars Further

Budget and financial monitoring is crucial for TSSS to enforce accountability

TSSS can stretch its funding further to serve more clients, by improving financial accountability. Financial accountability of TSSS's winter programs starts with preparing reasonable and reliable program / site-specific budgets. The budgets then form the baseline against which actual costs are reviewed. It is crucial for TSSS to effectively monitor actual costs against budgets to identify potential cost overruns and inefficiencies.

\$2.9M in surpluses paid to third-party service providers operating Warming Centres and Winter Respites had not been credited back to the City as of October 2024

During this audit, we found that in March 2024, TSSS paid the third-party service providers over \$12.5 million towards operating Warming Centres and Winter Respite Sites for the 2023/24 winter season. By July 2024, the operators had reported to TSSS that they had incurred nearly \$9.7 million in costs.⁷ TSSS had not finalized its review of the cost reports as of October 22, 2024. As a result, nearly \$2.9 million in surpluses paid had not yet been credited back to the City.⁸

TSSS' review of third-party operator reported costs is not sufficiently detailed

Furthermore, we found that TSSS needs more rigour in reviewing third-party operator reported costs. In general, TSSS staff were only reviewing the variance explanations included by operators in their final cost reports. We noted that:

- When analyzing costs against budgets, TSSS did not pro-rate for the actual number of days the sites were open to identify potential issues for further follow-up.
- TSSS did not request source documents or obtain audited financial reports specific to the operation of Warming Centres and/or Winter Respite Sites from any of the operators.
- TSSS' agreements did not require pre-approval of changes the operators made that could significantly impact operations and/or costs.

TSSS should establish procedures and guidelines for developing and analyzing budgets

TSSS should also establish procedures and guidelines for developing and analyzing budgets. We noted that:

- TSSS budgeted significantly more than was needed for the directly operated Warming Centre to operate at full capacity for the entire period and for the directly operated Surge Site to operate at full capacity for half the period.
- TSSS did not compare the budgets for the different Warming Centre and Winter Respite Sites to assess whether the budgeted rates for similar expense types were reasonable and consistent.

⁷ The agreements with the City required the operators to submit their final cost reports to TSSS by June 30, 2024. All reconciliations were received by TSSS staff before the end of July 2024.

⁸ On January 8, 2025, TSSS advised us that, of the nearly \$2.9 million to be recovered from the 2023/24 Winter Service Plan, TSSS had recovered \$1.5 million, and, that by January 15, 2025, TSSS expects to recover the remaining \$1.4 million.

Potential to free up an estimated \$1.1 to \$1.8 million in funding that can be used to help provide more beds or to make housing more affordable

Based on the examples identified during our audit for the 2023/24 winter season, setting guidelines on reasonable rates and budgets for the Warming Centre and Winter Respite programs has the potential to free up an estimated \$1.1 to \$1.8 million in funding. This is equivalent to the funding needed to operate one additional Winter Respite Site with capacity of 31 to 51 people for the entire winter season (based on costs incurred during the 2023/24 winter season). Or, alternatively, the funding to provide housing allowances⁹ to between 70 and 115 households for one year to make rental housing more affordable for people needing assistance to access stable housing.

TSSS should review its practices for deactivating sites to identify opportunities to stretch funding further

Additional opportunities to stretch funding further to provide more beds include reviewing the practices applied for deactivating and closing sites, including how they prioritize sites for closure and taking into consideration each operator's cost structure. For example, some sites had costs committed for the whole winter season but were prioritized to close before other sites that did not.

Some audit observations and recommendations may be applicable across the broader shelter system

Though the focus of this audit was limited to Warming Centres and Winter Respite Sites, it is our view that a number of the observations and recommendations regarding the need for strengthened financial controls and accountability measures have broad applicability to TSSS' other shelter programs, and particularly those operated by third-party service providers.

Conclusion

Warming Centres and Winter Respite Sites play an important role in providing beds in warm indoor spaces to people experiencing homelessness during the winter season.

We found that even by adding Winter Respite Site and Warming Centre beds to the base shelter system, there were many unmatched callers every night who were unable to access a bed during the 2023/24 winter season, and an unknown (untracked) number of people experiencing homelessness who were turned away when programs had no available beds.

We also found that there are opportunities to improve financial accountability for budgets and actual costs incurred to operate Winter Respite Sites and Warming Centres. Strengthening these financial controls will improve TSSS' ability to ensure these winter services are operated more cost-effectively to maximize the use of constrained resources.

⁹ Housing Secretariat Division staff advised that the Canada-Ontario Housing Benefit average monthly benefit for recipients who entered the program in 2024 was \$1,300.

In our view, implementing the 15 recommendations contained in this report will help TSSS potentially make more beds available to serve more clients and also stretch its funding further. TSSS can then recommend to City Council how to use the funds that can be freed up to help more people experiencing homelessness to access indoor spaces when it is cold outside, and/or achieve better outcomes by supporting their ability to move along the housing continuum towards stable housing.

Thank you

We would like to express our appreciation for the co-operation and assistance we received from management and staff of the Toronto Shelter and Support Services and Corporate Real Estate Management divisions.

We would also like to express our appreciation to the Warming Centre and Winter Respite program operators for their cooperation during this audit.

Background

TSSS is responsible for the delivery of shelter and homelessness services

The Toronto Shelter and Support Services Division (TSSS) is responsible for managing a coordinated and effective system of shelter and homelessness services. TSSS' top priority is *"to ensure that those experiencing homelessness have access to temporary accommodation when they need it, as well as wrap-around and housing-focused supports to help ensure homelessness is rare, brief and non-recurring."*¹⁰

Homelessness emergency declared in Toronto

In May 2023, City Council declared a homelessness emergency in the City of Toronto.¹¹

TSSS operates and oversees shelters and shelter services

Types of Shelters and Services Offered

TSSS directly operates and funds community agencies (also referred to as operators or service providers in this report) that deliver emergency shelter, 24-hour respite, warming centre, and other drop-in programs.

According to [TSSS' 2023 Annual Report](#), TSSS, together with its partners, provided emergency shelter to close to 22,000 people at City-run and funded shelters, 24-hour respite sites, 24-hour women's drop-in programs, and Warming Centres.


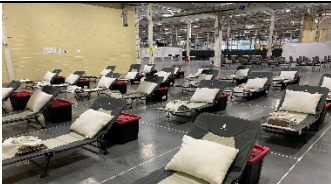
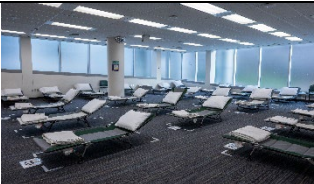
While shelters and respite programs (including Winter Respite Sites) coordinate with TSSS' Central Intake function to match callers to beds, Warming Centres operate through a first-come, first-served drop-in model. **Figure 2** details further key differences between traditional emergency shelters, respite programs (including Winter Respite programs), and Warming Centres.

Emergency shelters are expected to follow the [Toronto Shelter Standards](#). 24-Hour Respite Sites (including Winter Respite Sites) are expected to follow the [24/7 Respite Standards](#). There are no service standards for Warming Centres – their program delivery requirements are outlined in operating agreements with TSSS.

¹⁰ <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/toronto-shelter-support-services/>

¹¹ [Agenda Item History - 2023.EC3.13](#)

Figure 2: Types of Shelters and Services Offered

Emergency Shelters	24-Hour Respite Sites	Warming Centres
<ul style="list-style-type: none"> • Provide temporary accommodation and related support services year-round • Access is provided by calling Central Intake or by referral • All locations are staffed 24 hours a day, seven days a week and provide wrap-around supports including: <ul style="list-style-type: none"> ○ beds, hot meals, and laundry ○ access to harm reduction and mental and physical health supports ○ counsellors / case managers to develop permanent housing plans ○ assessments and referrals to other community services, as needed • New sites typically have a welcome centre, universal washroom, community meeting and program spaces, a community resource centre, and laundry and pet cleaning areas • On-site community services may include health-related services, childcare, education and skills training, and pet care 	<ul style="list-style-type: none"> • Provide low barrier services that prioritize ease of access to safe indoor space, especially to those who are vulnerable and may not otherwise access shelters • Access is provided by calling Central Intake or walk-in • Sites are open every day and may be open year-round • Winter Respite are open throughout the winter season (November 15 – April 15) • Sites provide resting spaces, meals, and service referrals 	<ul style="list-style-type: none"> • Temporary sites that are activated when temperatures reach -5°C or colder; and/or when Environment and Climate Change Canada issues freezing rain, snow squall, winter storm, snowfall and/or blizzard warnings • Access is on a walk-in, first-come, first-served basis and not by calling Central Intake • Provide the following services: <ul style="list-style-type: none"> ○ Resting spaces ○ Snacks ○ Access to washroom facilities ○ Referrals to emergency shelter ○ Access to harm reduction supplies
		

Source: Toronto Shelter and Support Services with additions by Auditor General's Office

Winter Respite Sites and Warming Centres are designed to serve different populations than emergency shelters

Ombudsman Toronto noted in its [2017 Enquiry Report on Cold Weather Drop-In Services](#) that “[t]here is a broad consensus that emergency shelters are unsuitable for a significant proportion of drop-in users. This is either because these people do not wish to comply with shelter rules, or because they are unable to do so for a variety of reasons, which may include past trauma, mental illness or addiction. The low-barrier drop-in model appears to accommodate a group of clients who are uncomfortable in or unable to access traditional emergency shelters.”

Winter Respite Sites and Warming Centres are more expensive than shelters

Although Warming Centres and Winter Respite Sites offer less services and amenities than base shelters, based on information provided by TSSS, the average cost to operate these programs for the 2023/24 winter season was significantly more expensive per bed night compared to the cost to operate the base shelter programs, as shown in **Figure 3** for Warming Centres.

Figure 3: Average Cost per Bed Night for Key Types of Programs, 2023/24 Winter Season¹²



Prepared by the Auditor General's Office; source of data: TSSS (numbers for base shelters, hotel shelters, and 24/7 respites are unaudited).

Shelters, in turn, are more expensive for the City than providing assistance to access more permanent, stable forms of affordable housing

Furthermore, as highlighted in the Auditor General's 2022 report, [Part 1 of the Audit of Emergency Shelters: A Focus on Case Management](#), based on information provided by the City, the cost of emergency shelters during the COVID-19 pandemic, including the hotel program, was over three times more expensive than providing supportive housing. Further, it was approximately seven to ten times more expensive than providing subsidized housing, rental subsidies, or housing allowances, before any Federal or Provincial funding offset.¹³

¹² Rates exclude one-time costs such as start-up costs and fit-up / repair costs. The rate for Warming Centres includes the two directly operated sites (i.e. one Warming Centre and one Surge Site).

¹³ The calculation was based on the cost of emergency shelters during the COVID-19 pandemic which had doubled when compared to pre-pandemic costs.

As noted in the Auditor General's 2022 report, shifting from a focus on emergency responses to homelessness to a focus on permanent housing solutions supports a Housing First approach and achieves better outcomes for people experiencing homelessness. Helping to move people experiencing homelessness along the continuum with an emphasis on permanent housing solutions also recognizes that housing is a more efficient and cost-effective use of resources.

Advancing this strategy requires ongoing intergovernmental coordination and continued support from all levels of government, as noted in TSSS' 2024-2033 [Homelessness Services Capital Infrastructure Strategy](#).

Cold-weather Impacts on People Experiencing Homelessness

People experiencing homelessness in Toronto are up to 18 times more likely to visit emergency departments for cold weather-related injuries

People experiencing homelessness are particularly vulnerable to illness and injury because of exposure to cold temperatures.

According to a 2023 study by Unity Health Toronto and the Institute for Clinical Evaluative Sciences, patients experiencing homelessness in Toronto are up to 18 times more likely to visit emergency departments for cold weather-related injuries.

According to the media release by Unity Health¹⁴,

- *"Dr. Carolyn Snider, chief of emergency medicine at St. Michael's Hospital, said the study highlights a significant health consequence associated with the lack of access to round-the-clock shelter, particularly in adverse weather conditions."*
- *"Injuries related to cold exposure are to some extent an unavoidable reality in Canada, but the sheer excess burden among those experiencing homelessness is largely preventable," said Lucie Richard, senior research associate at MAP Centre for Urban Health Solutions and study lead author.*
- *"Municipal, provincial, and federal governments all have a shared responsibility to provide alternative means to shelter from the cold. In an emergency setting, that means short-term shelter and warming options, but ultimately it means vastly expanding affordable housing."*

Shared responsibility to provide alternative means to shelter from the cold

¹⁴ <https://unityhealth.to/2023/07/homelessness-cold-weather-ed/>

Winter Services for People Experiencing Homelessness

Additional services are activated during the winter to expand access to warm indoor spaces

TSSS develops an annual Winter Services Plan, which expands services during the winter season (November 15 to April 15) to provide warm indoor spaces and protection from the cold and extreme weather for people experiencing homelessness. Adding space during the winter is critical to helping people who are sleeping outdoors access indoor spaces.

The 2023/24 Winter Services Plan was released and updated throughout the season

TSSS released its 2023/24 Winter Services Plan in October 2023¹⁵, outlining planned expansions and initiatives to help individuals experiencing homelessness escape the cold temperatures and inclement weather during the winter season (November 15 – April 15). This included:

- adding up to 180 spaces in the shelter system;
- opening a 24-hour respite site with capacity for approximately 40 people;
- activating 170 spaces via four Warming Centres when temperatures reach -5 °C;
- creating up to 275 housing opportunities through new supportive homes and available social housing units with supports;
- enhancing street outreach when temperatures reach -15 °C to encourage people to come indoors; and
- opening additional surge spaces when temperatures reach -15 °C [these include the Surge Site as well as Alternative Space Programs¹⁶].

TSSS continued to update its Winter Services Plan through the season^{17,18}, adding approximately 340 more spaces at Winter Respite programs as well as 10 more spaces at Warming Centres compared to the initial published plan. **Figure 4** shows the locations of Winter Respite Sites, Warming Centres and the Surge Site during the 2023/24 winter season.

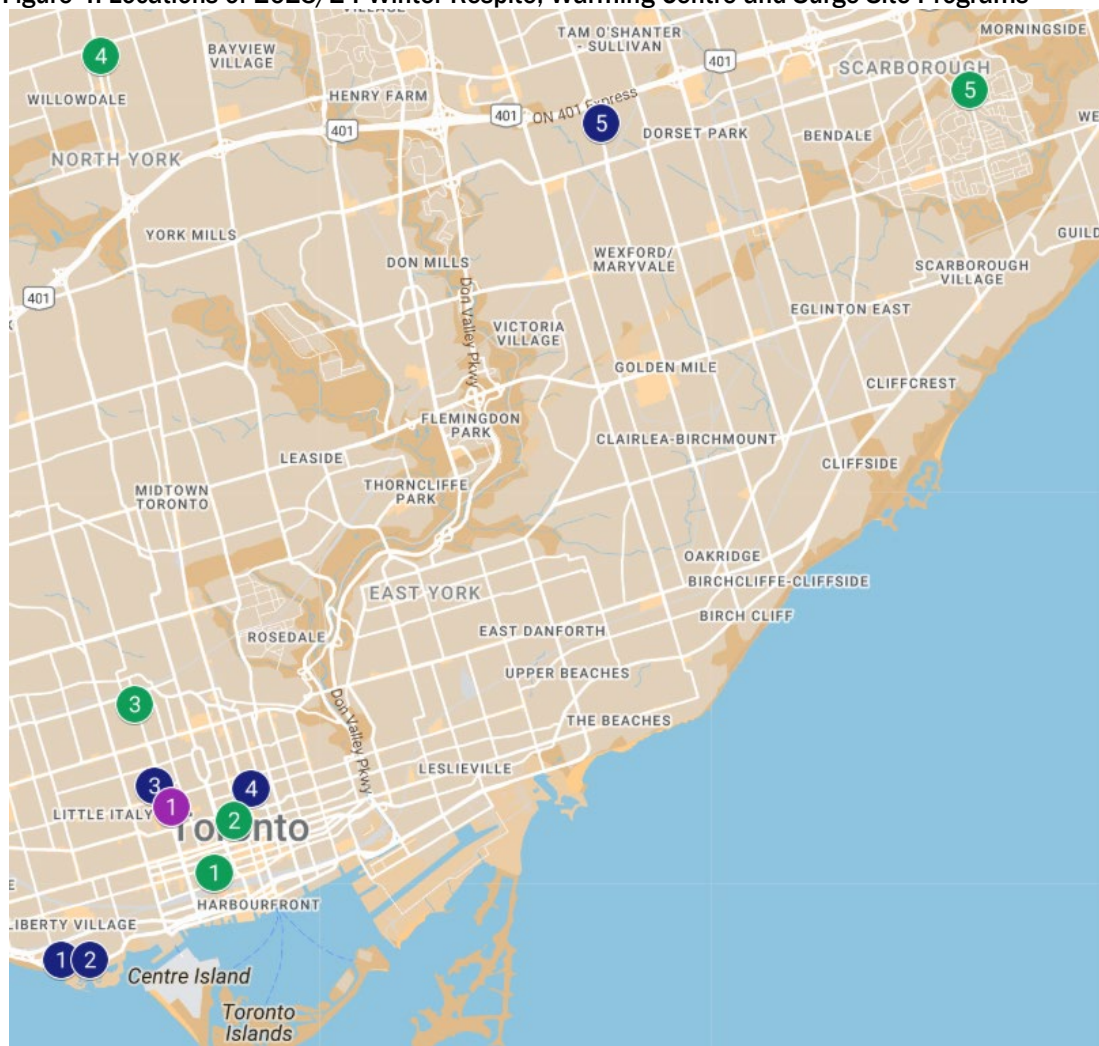
¹⁵ [City of Toronto's 2023/24 Winter Services Plan for people experiencing homelessness](#)

¹⁶ Alternative Space Programs are temporary overnight spaces that are activated only when there are no suitable shelter or other overnight spaces available. These spaces (chairs or cots) are not intended for use as long-term shelter spaces and are located within existing homelessness shelter facilities in common spaces such as dining rooms or meeting rooms. These drop-in programs were outside the scope of this audit.

¹⁷ [City of Toronto shares Winter Services Plan updates for those experiencing homelessness](#)

¹⁸ [City of Toronto concluding temporary respite program at Better Living Centre and adjusts services at two other sites](#)

Figure 4: Locations of 2023/24 Winter Respite, Warming Centre and Surge Site Programs



This image displays locations of Winter Respite (blue icons), Warming Centre (green icons), and Surge Site (purple icon) programs during the 2023/24 winter season.

Prepared by the Auditor General's Office

\$47 million budget to deliver Winter Services Plan in 2023 and 2024

The 2023 and 2024 Operating Budgets for TSSS included approximately \$47 million in funding to deliver the City's Winter Services Plan. Based on information provided by TSSS, approximately:

- \$8.6 million was spent between January and September of 2023 as part of the 2022/23 initiatives;
- \$22.2 million was spent on Warming Centres (including the Surge Site) and Winter Respite Sites during the 2023/24 winter season, including nearly \$2.9 million in surpluses paid to third-party operators that had not yet been credited back to the City as of October 2024;
- \$0.9 million was spent on other winter programs (e.g. extended hours at drop-in centres, warming buses, etc.); and
- \$15.3 million remained in the 2024 Operating Budget that could be used towards providing winter services in November and December of the 2024/25 winter season.

TSSS expected that winter programs would not be sufficient to meet client demand

TSSS' October 2023 report, [*Shelter System Pressures and Responses, including Planning for Winter 2023/2024*](#), stated [emphasis added by the Auditor General's Office]:

*"Toronto's shelter system is full, and demand for shelter services is at an all-time high. **Current demand for shelter space is so high** that every night **the City is unable to provide shelter to hundreds of people** requesting a space..."*

*The **winter spaces that have been secured may not be sufficient** to address overall shelter system capacity needs. Demand is far greater than the current system can accommodate."*

Based on publicly available TSSS data, the number of people actively homeless increased from around 7,500 in October 2020 to about 10,100 in October 2023, just prior to the start of the 2023/24 winter season. This increase was largely driven by refugees entering Toronto and experiencing homelessness, which increased from about 1,200 to about 5,000 over the same period.

Some temporary winter services converted or expanded to address capacity in overall shelter system

Over time, to expand capacity in the overall shelter system, TSSS has extended the operations of Warming Centres beyond activation windows on several occasions and has converted some winter services into year-round programs.

TSSS noted in its October 2023 report, that "[b]etween 2015 and 2022, many services that opened as temporary winter services were converted to permanent 24/7 services that are incorporated into the base shelter system today, supporting the overall increase in system capacity." As a more recent example, one of the 2023/24 Winter Respite programs was converted to a year-round 24/7 respite program at the end of the winter season.

TSSS' 2024/25 Winter Services Plan expects to offer more spaces and services across the shelter system as a whole than in previous years

TSSS' 2024/25 Winter Services Plan¹⁹, released in October 2024, indicates that the City will offer more services than in previous years, made possible in part by multi-year leasing agreements and partnerships with the community. The 2024/25 Winter Services Plan includes:

- adding up to 530 temporary spaces in the shelter system (including 383 spaces at five Winter Respite programs);
- activating 218 spaces in four Warming Centres;
- opening an additional 164 spaces for surge capacity, including an additional Warming Centre, when the weather reaches -15 °C (these include the Surge Site as well as Alternative Space Programs);
- dispatching additional street outreach teams during extreme cold weather to encourage people to come indoors, provide warm clothing and sleeping bags;
- bringing up to 286 new supporting homes and available social housing units online throughout the winter season; and
- extending operating hours at several daytime drop-in programs.

In December 2024, the City announced the further addition of:

- 30 Warming Centre spaces at Metro Hall; and
- 30 spaces at a new Surge Site, activated when temperatures reach -15 °C or colder.

Refer to **Exhibit 2** for a comparison of actual Winter Respite program, Warming Centre, and Surge Site capacity for the 2023/24 winter season and planned capacity for the 2024/25 winter season.

The City recognizes that more shelter spaces are required

According to the [October 2024 News Release](#), the City recognizes that more shelter spaces are required to care for individuals experiencing homelessness, particularly due to a rise in the number of people living in encampments.

The release indicates that:

Work is progressing on the Homelessness Services Capital Infrastructure Strategy

- Work is progressing on the Homelessness Services Capital Infrastructure Strategy – a 10-year plan to improve shelter system stability, achieve cost savings and be more responsive to the needs of people experiencing homelessness. Under the strategy, the City will add up to 20 new shelter sites by 2033. In a December 2024 news release, the City identified the first six locations for shelter development.

¹⁹ [City of Toronto releases 2024/25 Winter Services Plan for people experiencing homelessness](#)

100 new spaces in refugee houses are expected to open during the 2024/25 winter season

The City continues to work with all orders of government to better meet the shelter / housing needs of Torontonians

- Toronto is also providing funding to create 200 new spaces in refugee houses, 100 of which will open during the 2024/25 winter season. More than half of the people currently using municipal shelter accommodations are refugee claimants. Refugee houses, which are smaller and provide refugee-specific supports and connections to settlement services, will lead to better outcomes for clients faster and at less cost than other shelter models.
- Housing is the best way to lift people out of homelessness. After a six-month pause, Toronto is now examining details of its most recent allocation of the Canada-Ontario Housing Benefit (COHB), which will allow 1,700 households to secure permanent housing over the next year (including people in the shelter system). The City is working with all orders of government to add shelter spaces, affordable housing, and social supports to better meet the needs of Torontonians.

Audit Results

This section of the report contains the findings from our audit work followed by specific recommendations.

A. Opportunities to Better Understand and Address Demand for Winter Respite Site and Warming Centre Beds

TSSS requires complete, reliable data and high system capacity to meet its objectives

According to the City's website, TSSS' top priority is *"to ensure that those experiencing homelessness have access to temporary accommodation when they need it, as well as wrap-around and housing-focused supports to help ensure homelessness is rare, brief and non-recurring."*²⁰ A robust system of forecasting winter demand, and planning sufficient capacity to meet it, is crucial for TSSS to align its operations with this priority during winter months when colder temperatures make spending a night outdoors more dangerous.

Over 2,000 people used Winter Respite Sites and/or Warming Centres in winter 2023/24

Based on TSSS data, over 2,000 individuals experiencing homelessness were admitted to a Winter Respite Site and/or a Warming Centre (including the Surge Site), totalling about 52,900 bed nights at these programs in winter 2023/24.

People experiencing homelessness are turned away from the shelter system on a daily basis

Still, people experiencing homelessness were turned away on a daily basis when beds were not available. During the 2023/24 Winter Season, there were 174 people, on average, who called Central Intake daily but were unable to be matched to a bed²¹.

Additionally, TSSS did not track the number of people who walked into a Warming Centre or Winter Respite Site but were turned away when beds were not available. Consequently, the total demand for beds is not known.

Every bed night matters to help people experiencing homelessness get out of the cold

TSSS continues to face challenges in meeting demand for winter services. This means that every bed night matters when helping to improve outcomes for people experiencing homelessness by making space available indoors to help people get out of the cold.

²⁰ <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/toronto-shelter-support-services/>

²¹ This is a significant increase from approximately 112 and 43 callers respectively in winter 2022/23 and winter 2021/22, despite experiencing a relatively warm 2023/24 winter season.

There is potential for TSSS to better understand demand and make more beds available

Through this audit, we identified opportunities for TSSS to better understand and address demand for Winter Respite Site and Warming Centre beds, including:

- Collecting better data on the number of people who arrive at a Warming Centre or Winter Respite Site looking for a bed indoors. This information would provide TSSS with a more complete understanding of unmet demand during winter months and will help TSSS to plan accordingly.
- Potentially providing additional bed nights if changes are made to TSSS practices. 4,331 beds were left vacant at Warming Centres while they were deactivating and no new clients were admitted. 8,411 beds were not available at certain Winter Respite Sites as: programs ramped up and ramped down; beds were temporarily withheld by TSSS at the Better Living Centre; and some programs opened after the start date in their agreements. While we recognize that it is unlikely that TSSS will be able to make every bed at every site available for the entirety of the winter season, action can be taken to make more bed nights available.

These opportunities are discussed in greater detail in the sections that follow.

A.1. Better Data is Needed to Understand Unmet Demand for Winter Services

Winter Respite Sites and Warming Centres were often full

All Winter Respite Sites and Warming Centres (including the Surge Site) were consistently operating at or near the bed capacity made available on the nights they were open and activated during the 2023/24 winter period. **Exhibit 2** provides details on the capacity of Winter Respite programs, Warming Centres, and the Surge Site during winter 2023/24, as well as spaces planned for winter 2024/25.

TSSS does not track the number of people who try to access programs on a drop-in basis and are unable to access a bed

TSSS does not know how many people were turned away when Winter Respite Sites and Warming Centres were full

Staff at several of these programs advised that they turned some people away, with staff at three Winter Respite programs and one Warming Centre indicating that their program turned people away on a daily basis during the winter. However, TSSS and program operators did not track and maintain data on the number of individuals turned away and/or directed elsewhere when Winter Respite Sites and Warming Centres were full.

When a program was full (including any overflow spaces, if applicable), staff at various programs informed us that they would try to help clients, for example, by providing a meal and a Toronto Transit Commission token or arranging a taxi to another site. There is a risk that people were not able to find a bed or indoor space overnight which can impact health outcomes, and there is a lack of information to determine whether or how often that happened.

TSSS also did not track the number of individuals who entered a site but chose to leave on their own

TSSS also did not track instances where a client would arrive at a site in search of a bed but chose to leave before being admitted. Counting these individuals would help TSSS to identify additional unmet demand and plan accordingly.

TSSS does not routinely track the number of people who stay in overflow spaces

TSSS did not track how many people stayed in overflow spaces but were unable to access a bed

Based on our discussions with operators, nine programs had onsite overflow spaces, six of which tracked overflow space usage, and three of those six programs were verbally reporting this information to TSSS alongside their daily reporting of occupancy. Despite this, TSSS did not routinely record and/or aggregate this data (in the Shelter Management Information System (SMIS) or elsewhere) to enable analysis and understanding of overflow space usage and demand for beds at the Winter Respite Sites and Warming Centres (including the Surge Site).

Monitoring the use of overflow space can also help flag safety risks. For example, we note that as part of a 2023/24 Warming Centre Debrief document, TSSS noted risks to “[c]lient and staff safety due to overcrowded spaces that may violate fire standards and staffing ratios”. In the absence of data, it is unclear how often and to what extent this occurred.

The number of unmatched callers to Central Intake does not present a full picture of the demand for winter services

Counts of unmatched callers provide an incomplete understanding of unmet demand

The number of unmatched callers²² is a useful measure to understand unmet demand at 24/7 programs, such as shelters and respites. However, as noted above, people who walked into a Warming Centre (including the Surge Site) or Winter Respite Site but were turned away when beds were not available are not captured by these counts, unless they also called Central Intake.

²² People who call Central Intake seeking a bed who are not matched to one each day are tracked by TSSS as unmatched callers.

Opportunities exist to better understand unmet demand for winter services

A more complete understanding of unmet demand would help TSSS make a more informed decision about the capacity that needs to be added during the winter (at Winter Respite Sites, Warming Centres, or other programs) and provide improved information to better support resource requests.

Recommendation:

- 1. City Council request the General Manager, Toronto Shelter and Support Services, in collaboration with Winter Respite Site and Warming Centre operators, to review methodologies for collecting data to better understand unmet demand and how many winter program spaces are needed, by taking into consideration:**
 - a. the number of overflow space users each day (i.e., people who are able stay inside at a site but are not able to access a bed therein); and
 - b. the number of individuals who try to access a bed on a drop-in basis but are turned away, directed elsewhere, or leave without accessing a bed or overflow space each day.

A.2. Opportunity to Offer Additional Beds at Warming Centres if New Admissions are Allowed While Sites are Deactivating

Warming Centres are deactivated when temperatures rise above -5 °C

For the 2023/24 winter season, Warming Centres were deactivated when Environment and Climate Change Canada forecasted temperatures to consistently be warmer than -5 °C for the next three days, while the threshold for the Surge Site was -15 °C.²³

While TSSS has no formal activation/deactivation policy, it maintains internal guidance on when and how to tell programs to activate and deactivate. On the first morning of deactivation, TSSS staff email Warming Centres with instructions to stop admitting new clients.

²³ Warming Centres are not deactivated at these temperature thresholds if Environment and Climate Change Canada issues a winter weather event warning (e.g., freezing rain).

On deactivation, Warming Centres stop admitting new clients and existing clients may remain onsite until they are referred elsewhere

During deactivation, these programs continue to operate, providing beds and meals to existing clients and incurring associated costs, while Central Intake staff work to match the remaining clients to alternative spaces within the shelter system (i.e., respites, shelters, hotels) as they become available. TSSS informed us that it keeps programs open while referring clients out as opposed to discharging everyone immediately, in order to ensure clients stay in the shelter system rather than “falling through the cracks”.

Clients can also choose to leave the Warming Centres without a referral to another program. Once all clients are discharged, the Warming Centre is closed until the next activation.

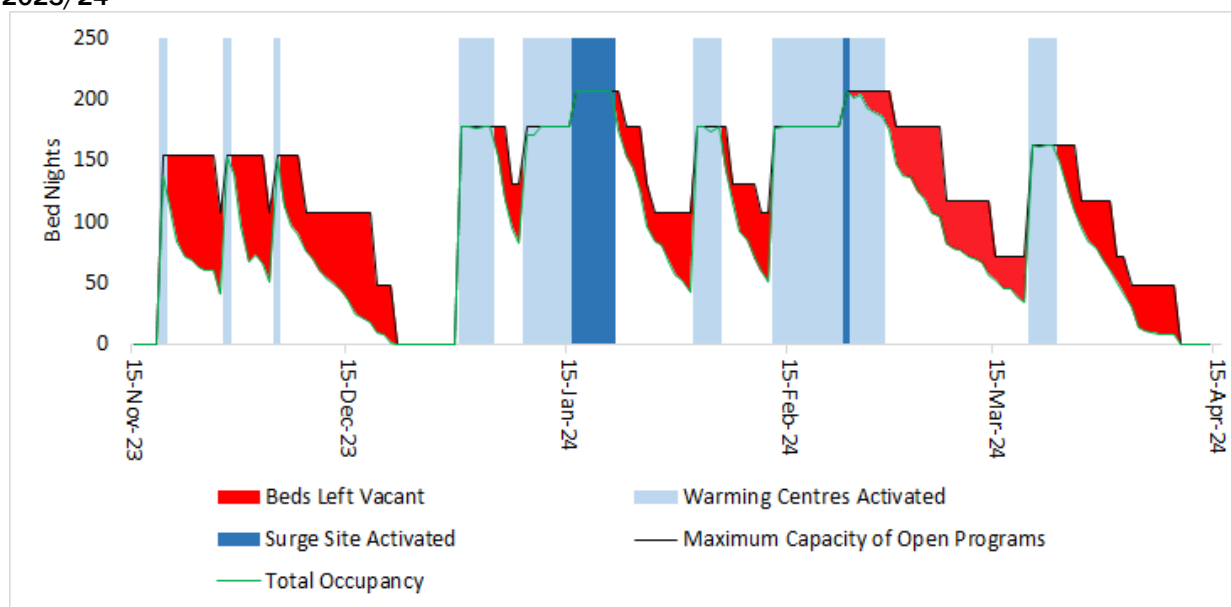
Deactivation is a lengthy process

Based on our analysis of TSSS data for the 2023/24 winter season, each deactivation took a long time, with programs frequently unable to discharge all clients before the next activation.

Many beds were left vacant at Warming Centres during deactivation

Since Warming Centres did not admit new clients while deactivating, beds were left vacant as the remaining clients were discharged. Specifically, as demonstrated by the areas in red in Figure 5, 4,331 bed nights were left vacant across the 94 nights during the 2023/24 winter season when Warming Centres (including the Surge Site) were deactivating. As Figure 5 illustrates, there were several long stretches where many beds were left vacant. There was only one period in late December when all programs were able to close.

Figure 5: Beds Left Vacant at Warming Centres and the Surge Site During Deactivation Periods, Winter 2023/24



Prepared by the Auditor General's Office; Source of data: TSSS

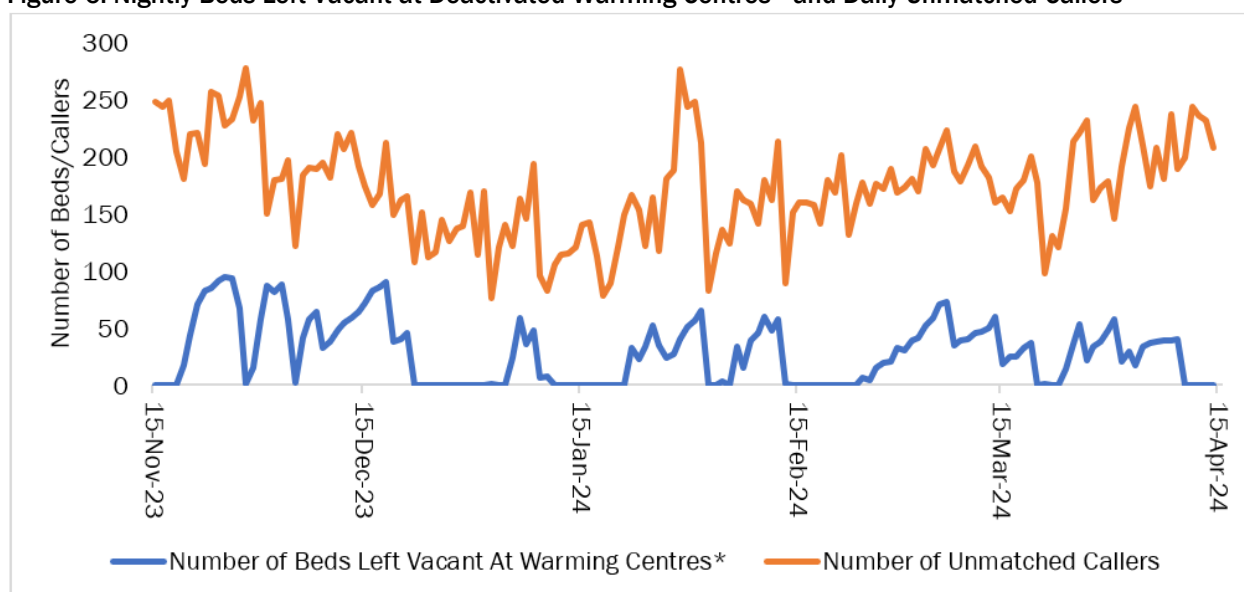
Having unused beds can lead to other challenges for operators

Staff at one Warming Centre indicated that the deactivation process frustrated clients and the community they served. Specifically, they told us, *“Warming Centres should remain open for the duration of the Winter season – it’s very challenging having to explain why we cannot allow someone to enter the space during a deactivation (when the temp could be -15[°C] with windchill but only -3[°C]) when we are on-site with beds available. This typically causes unnecessarily heightened interactions where clients will set-up tents close to our property, adding a lot of frustration to our neighbours.”*

Beds left vacant could help address system pressures

Every night that Warming Centres were deactivating was a night when beds that were left vacant could potentially have been used to address some of the unmet demand for beds. However, as **Figure 6** below shows, even if all these beds were used, there would still have been individuals who wanted a bed but were unable to get one.

Figure 6: Nightly Beds Left Vacant at Deactivated Warming Centres* and Daily Unmatched Callers



*Calculated as the site’s capacity less occupants on nights open but deactivated. Includes the Surge Site.

Prepared by the Auditor General’s Office; Source of data: TSSS

Enough funding was allocated for Warming Centres to be open and operating at full capacity for the entire season

It is also important to note that, as discussed in **Section B.1**, TSSS had paid amounts to program operators based on what they budgeted to operate the Warming Centre sites at full capacity for the entire duration of the 2023/24 winter season. Therefore, while keeping these beds open for the entire winter period would cost more than leaving them vacant, funding had already been set aside to make them available for use.

When we asked TSSS staff why a 24/7 Warming Centre operating model was not adopted, they informed us that if implemented, Warming Centres would fill completely early in the season, leaving no surge capacity during the coldest months of the year. They also indicated Warming Centres lack the amenities (e.g., adequate washrooms, showers, program and lounge space) to support people 24/7 over the course of winter.

Recommendation:

2. **City Council request the General Manager, Toronto Shelter and Support Services, to review procedures and practices for deactivation (including leaving beds vacant), taking into consideration information on demand, unmatched callers, overflow, and turnaway. Such review should evaluate the costs and benefits of different practices for deactivation that do not compromise client health and safety (potentially informed by pilots to determine the impacts on unmet demand and turnaway).**

A.3. Opportunities to Increase Available Bed Capacity at Winter Respite Sites for Certain Portions of the Winter Season

Beds at Winter Respite Sites were not available for parts of the winter

In reviewing data available for the 2023/24 winter season, we noted some beds at Winter Respite Sites were not available for certain portions of the winter season because:

- a) Programs took time to ramp up and their full capacity was not available immediately upon opening; and, in some cases, beds were intentionally held back by TSSS until later in the winter season;
- b) Programs stopped admitting new clients as they began ramping down, resulting in many beds left vacant well before sites were closed / the end of the winter season; and
- c) Some programs opened after the start date in their agreements because they needed more time to prepare.

While we recognize that it is unlikely that TSSS will be able to make every bed at every site available for the entirety of the winter season, action can be taken to make more bed nights available for as much of the winter period as possible. Every bed night matters when helping to improve outcomes for people experiencing homelessness, particularly when they are most vulnerable during cold weather. This is discussed in further detail in the subsections that follow.

a) Programs took time to ramp up and their full capacity was not available immediately upon opening

Winter Respite Site beds were gradually brought online

Operations at several Winter Respite programs were gradually ramped up instead of making all beds available immediately upon opening.

When we asked TSSS why it brought beds online gradually rather than all at once, staff indicated “[b]ringing beds online over several days allows for a controlled intake process that provides a good experience for each individual during the admission process, and [is] also more manageable for operators. This gradual ramp-up ensures safety by giving site staff time to onboard new clients at a pace that allows them to familiarize themselves with the space, services, and expectations. It also allows staff to outline client rights, responsibilities, and complaint procedures while maintaining a supportive environment. As the number of clients grows, this approach provides the flexibility to adjust programming, resources, and staffing as needed, ensuring that the site can effectively meet the needs of clients and minimize any impact on the surrounding community.”

No methodology to set expectations for how quickly programs should be able to ramp up to full capacity

According to TSSS, the time it takes to ramp up operations to full capacity depends on the size of the program and how quickly the operator can intake clients. TSSS informed us that providers are asked to ramp up as quickly as possible, but TSSS has not developed policies, procedures, or guidelines to set expectations for how long this process should reasonably take.

TSSS held back 60 beds per night at the Better Living Centre until Toronto experienced colder temperatures

In addition, 30 beds of the 150-bed maximum capacity at both Winter Respite programs at the Better Living Centre were held back when the programs opened in late December 2023. TSSS management advised that they intentionally limited the capacity of these programs to 120 beds each until later in the winter season when temperatures were expected to drop further. If these programs provided the 30 additional beds each immediately instead of initially holding capacity at 120, an additional 1,080 bed nights could have been provided across the two programs.²⁴

²⁴ In contrast, TSSS did not intentionally hold beds back at the Better Living Centre programs in winter 2024/25. Based on publicly available TSSS data, both onsite programs opened on December 16, 2024, ramping up to make all funded beds available by December 20 and December 22 respectively.

Unmatched callers and people that could not access Warming Centres could have used beds held back at the Better Living Centre

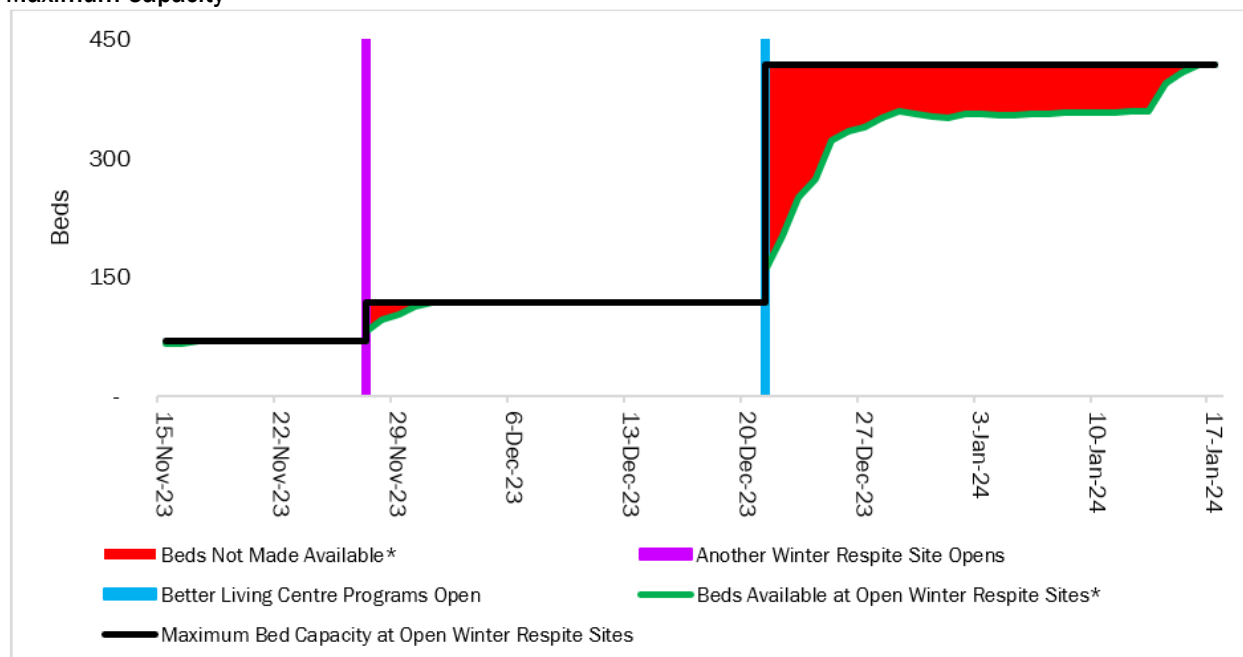
We noted that Warming Centres were activated on 10 nights during the period of time from when the two Winter Respite programs began operating until they began releasing the additional beds. The Warming Centres were at or near capacity on six of those nights, while unmatched callers to Central Intake averaged 11.3 per day. If the 60 beds at the Better Living Centre were opened earlier, some of these callers potentially could have been matched to an indoor space for the night.

2,483 bed nights were not available as programs ramped up to their full capacity

In addition to the 1,080 bed nights held back at the Better Living Centre from late December to mid-January, there were a further 1,403 bed nights that could potentially have been provided had Winter Respite programs been able to operate immediately at full capacity upon opening.

Figure 7 compares the beds provided during the ramp-up period with the maximum capacity of all Winter Respite programs on each night in the 2023/24 winter period prior to all programs achieving maximum capacity.

Figure 7: Comparison of Beds Available at Open Winter Respite Programs During Ramp-Up Period with their Maximum Capacity



*Excludes beds that are unavailable for other reasons, such as beds taken offline temporarily as part of normal operations
 Prepared by the Auditor General's Office; Source of data: TSSS

b) Winter Respite Sites stopped admitting new clients as they began ramping down, resulting in many beds left vacant well before sites were closed or at the end of the winter season

Winter Respite programs stopped admitting new clients during ramp-down period

As the end of the winter season approached and sites had to be vacated, certain Winter Respite programs began ramping down operations. Similar to the Warming Centre deactivation process, programs stopped admitting new clients and any beds that became available when clients were discharged from the Winter Respite program were left unoccupied through to site closure.

During this period, fewer people seeking to sleep indoors could be accommodated, even on nights it was still cold outside

The focus during ramp-down was on matching all clients remaining at the site to a bed at an alternative location (such as a shelter or hotel). While the goal of this approach was to better serve existing clients at Winter Respite Sites (rather than abruptly discharging them at the end of the season or when sites closed), the result was that fewer people could be accommodated in the ramp-down period, even on nights when it was still cold outside.

Beds were left unoccupied on cold nights at the largest Winter Respite Site ahead of its closure

For example, the two large Winter Respite programs at the Better Living Centre began ramping down operations on February 20, 2024 to ensure the site could be vacated by March 20, 2024, the end of the lease term.²⁵ The gradual decrease in beds made available, from a combined 300 beds per night to zero, resulted in a total of 3,291 bed nights left unoccupied across the two programs during their ramp-down periods.

The first day of ramp-down for both operators, February 20, 2024, was during a cold period when all the City's Warming Centres were activated. Warming Centres continued to be activated until February 29, and forecasted temperatures were so cold that the Surge Site was activated for one night. During these nine nights, no new admissions were taken by the Better Living Centre Winter Respite Programs, even though the Warming Centres and Surge Site were at or near full capacity, and Central Intake could not match about 170 average daily callers to a bed. Over those nine nights, the Better Living Centre programs made 442 fewer bed nights available than they otherwise could have, if they operated at full capacity.

²⁵ Based on TSSS occupancy data, the two onsite programs reached zero occupancy on March 11, 2024 and March 18, 2024 respectively.

**Limited space elsewhere
prolongs ramp-down**

TSSS informed us that Winter Respite Sites required significant lead times to ensure all clients were referred out ahead of anticipated closure dates. TSSS informed us that it determined when to stop new admissions and begin ramping down by estimating how long it would take to match clients to a bed at other programs, which is dependent on system capacity and vacancy rates. Since the shelter system was generally operating at or near its full capacity, matching hundreds of clients to available beds elsewhere can take a significant amount of time.

Based on TSSS data, an average of about 179 people called Central Intake who were not matched to a bed on each night during the 28-day ramp-down period at the Better Living Centre, compared to an average of about 148 each night in the week prior to ramp-down.

**TSSS responded to winter
program closures by
expanding and opening
other programs**

Before the Better Living Centre closed in March 2024, TSSS recognized that it would need additional spaces to partially offset the loss of 300 beds. TSSS converted one Warming Centre into a Winter Respite program effective March 8, 2024 to ensure up to 60 beds were available every night rather than just the colder nights. TSSS also opened a 45-bed Warming Centre at Metro Hall to increase beds on any remaining cold nights. TSSS further converted one Winter Respite Site to a year-round program, foregoing closure entirely.

**3,528 bed nights were not
available as programs
were closed to new
admissions while ramping
down operations**

In total, from the time Winter Respite Sites began ramping down their operations until the last occupant was discharged or the winter season ended (whichever came earlier), there were a total of 3,528 bed nights left unoccupied as programs closed to new admissions, including 3,291 at the Better Living Centre and 237 across two other Winter Respite Sites that began ramping down before April 15, 2024. TSSS should consider evaluating the costs and benefits of closing programs on April 15 and/or staggering program closures beyond the end of the winter period to provide additional bed nights while there continues to be cold weather.

**c) Some programs opened after the start date in their
agreements because they needed more time to prepare**

**Some sites and programs
needed more time to
prepare for opening**

When sites were not available before the start of the winter season, some necessary work to prepare onsite programs could not be completed ahead of time. This impacted how quickly these sites could open.

Preparing sites and training site staff took time

For example, the two Winter Respite programs at the Better Living Centre did not open their doors to clients until December 21, 2023, 10 days after TSSS gained access under their lease agreement, and six days after agreements with program operators began.²⁶ TSSS informed us that additional time was needed before opening the site to train agency staff and for TSSS' Infrastructure, Planning and Development staff to prepare the site (e.g., readying washroom / shower trailers, fencing, CCTV, etc.).

Another Winter Respite Site was not ready to open at the beginning of the winter season (November 15). While the site had been identified for potential winter use in July 2024 and the operator submitted a budget to TSSS in early October 2024, TSSS did not approve proceeding with this site until early November 2024. The program opened on November 27, 2023, after the operator completed minor non-structural building renovations, kitchen improvements, and security system installation.²⁷ With a capacity of 50 beds, an additional 600 bed nights could have been provided if the site opened on November 15, 2023. This site has since been converted to a year-round 24/7 respite program.

Additionally, one Warming Centre opened well after the start of the winter period, on December 31, 2023, due to construction delays. TSSS activated Warming Centres on three nights before the site was able to open, with aggregate occupancy at the other three Warming Centres ranging from 81 per cent to 100 per cent over those nights. The added nightly capacity of 23 beds (or 69 bed nights over those three days), plus any additional bed nights for clients waiting to be referred elsewhere during deactivation, would have been helpful to meet needs of 193 average unmatched callers looking for shelter on those days.

2,400 bed nights were not available while preparing sites to operate

Had the Winter Respite Sites been able to operate at full capacity immediately upon the dates set out in agreements with the program operators, an additional 2,400 bed nights could potentially have been provided for people experiencing homelessness who were looking for a bed indoors during the winter season.

Wherever possible, TSSS should sign operating agreements and complete necessary planning and site preparation work, so that all funded beds can be made available at the start of the winter season or as early as possible after the start of the agreement period.

²⁶ TSSS staff informed us that the Better Living Centre opened again on December 16, 2024, after the start of the 2024/25 winter period and one week after building use was first permitted on December 9, 2024.

²⁷ TSSS informed us that it reacted to pressures on the shelter system by opening a Warming Centre site as a Winter Respite program from November 15 to 18, 2023 (before resuming as a Warming Centre upon its first activation on November 19, 2023).

Challenges finding appropriate sites for Winter Respite and Warming Centre use impacts the number of beds available

Securing sites remains a challenge

According to Corporate Real Estate Management (CREM) division staff, it is difficult to secure sites for Winter Respite and Warming Centre programming as there is limited interest in providing space on a short term / seasonal basis for these uses.²⁸ This has been a persistent challenge for the City, and as previously noted in TSSS' October 2023 report, [*Shelter System Pressures and Responses, including Planning for Winter 2023/2024*](#): "[t]he winter spaces that have been secured may not be sufficient to address overall shelter system capacity needs. Demand is far greater than the current system can accommodate."

20 City-owned properties were considered for the winter season – three were selected

CREM provided a list of 20 City-owned properties considered for use as Winter Respite Sites and/or Warming Centres ahead of the 2023/24 winter season. These include the 10 community centres, as well as the four civic centres, Metro Hall, Old City Hall, and several other City-owned sites. Of these, two were key Warming Centres / Winter Respite Sites for the 2023/24 winter season, and one was made available as the Surge Site.²⁹ TSSS informed us that many sites were not selected because they were not fit for purpose, had ongoing construction, or had other planned onsite programming.

TSSS continues to work with CREM to identify potential sites

The number of Winter Respite Sites and Warming Centres contracted by CREM for the 2023/24 winter season exceeded the minimum of one Winter Respite Site and four Warming Centres outlined in TSSS' Homelessness Services Capital Infrastructure Strategy. TSSS informed us that it is continually looking at properties for use as potential shelters, 24-hour Winter Respite Sites and Warming Centres, with CREM confirming that it is actively engaged in exploring new sites for shelter use year-round. However, CREM staff informed us that they will only pursue securing additional Winter Respite Sites and Warming Centres at the request of TSSS.

TSSS has not tasked CREM with identifying additional sites as an active, urgent need

CREM staff further advised us that TSSS may reach out to CREM in an emergency, but that TSSS has not tasked CREM with identifying additional new sites as an active, urgent need. Even if TSSS does ask for additional sites that can be used to meet an urgent need, CREM may not be able to immediately identify City-owned buildings that can be used right away and on-demand to support individuals experiencing homelessness. This is because these buildings may have other planned and ongoing programming.

²⁸ Requirements specified by TSSS for identification / selection of winter space are included in **Exhibit 3**.

²⁹ Excludes the Metro Hall Warming Centre, which only operated for seven nights in March 2024.

TSSS needs a contingency plan for when all beds are full on cold nights

As part of its 2017 [Enquiry Report on Cold Weather Drop-in Services](#), Ombudsman Toronto recommended that SSHA (now TSSS) “...*formalize contingencies in place and protocols to be followed should [maximum capacity for each cold weather drop-in site] be exceeded.*” No formal contingency plan was in place at the time of our audit. Such a plan could include, for example, collaborating with CREM to identify suitable community centres and other city properties that can provide additional warm indoor spaces on an emergency basis when all shelter system spaces and existing Alternative Space Programs are full.

Additionally, contingency plans can contemplate whether additional temporary sites beyond those already in place are needed to serve as a stopgap measure to start and end the winter season, when ramp-up and ramp-down processes limit beds available at the beginning of the season, and prior to site closure at the end of the season, respectively.

Recommendation:

- 3. City Council request the General Manager, Toronto Shelter and Support Services (TSSS), in collaboration with the Corporate Real Estate Management Division where necessary, to maximize the beds made available (within funding constraints) by Winter Respite Sites, Warming Centres, and Surge Sites during the winter period by:**
 - a. negotiating lease terms that allow access to the premises for these operations for the entirety of the winter period, and working to secure temporary sites for periods when this is not possible;**
 - b. signing operating agreements and completing necessary planning, capital and site preparation work so that all funded beds can be made available at the start of the winter season or as early as possible after the start of the agreement period;**
 - c. standardizing TSSS methodology to determine reasonable timelines for ramping up and ramping down Winter Respite programs and communicating such guidelines to operators;**
 - d. evaluating the costs and benefits of closing programs on April 15 and/or staggering program closures beyond the end of the winter period;**

- e. prioritizing the use of public real estate assets for future Winter Respite Sites, Warming Centres, and Surge Sites; and
- f. developing a formal contingency plan to make spaces available when the shelter system is full, including Winter Respite Sites and Warming Centres, during the winter period.

A.4. Many Clients Staying at Winter Respite Sites and Warming Centres Have Ongoing Shelter Needs and Require More Support Services

Many winter program users have needs that these programs were not designed to address

More than half of clients in winter 2023/24 were either refugees and/or people experiencing chronic homelessness³⁰, who have persistent needs beyond what Warming Centres and Winter Respite programs are designed to address.

Based on our analysis of SMIS data for the 2023/24 winter season, among the 2,091 clients who were admitted at least once to a Warming Centre (including the Surge Site) and/or a Winter Respite Site:

- 954 (about 46 per cent) identified as refugees³¹
- 235 (about 11 per cent) were people experiencing chronic homelessness, including 51 (about 2 per cent) that identified as refugees
- 953 (about 46 per cent) were individuals experiencing homelessness who were not identified as refugees or chronically homeless

Refugees and chronically homeless individuals have needs that are not always met at Warming Centres and Winter Respite Sites

Beyond a generally persistent need for a bed, refugees also often require employment, housing, and other resettlement supports. These supports, which are not required services at Winter Respite programs or Warming Centres, help refugees to integrate and gain independence in Canada.

Similarly, people experiencing chronic homelessness stay longer in the shelter system and often need supports beyond the services provided by Warming Centres and Winter Respite programs.

³⁰ The statistic for people experiencing chronic homelessness was determined based on data as at June 10, 2024, which is when TSSS provided client data for this audit.

³¹ Clients who identified as a refugee during any stay at a TSSS program are counted as refugees for the purposes of our analysis.

Traditional emergency shelters are generally better suited to meet the needs of these client groups because they are equipped to offer a higher level of case management and supports for clients.³²

The case management requirements differ between the program types, summarized as follows:

- The Toronto Shelter Standards require that every person entering the emergency shelter system have an individualized service plan which, consistent with a Housing First approach, must include at a minimum a housing plan and a financial plan.
- Similarly, the 24-Hour Respite Site Standards require all providers (including Winter Respite programs) to offer some degree of service planning to their clients and provide such services to interested clients. Client participation is neither mandatory nor a condition of service. If the Respite Site cannot provide requested support services, they are required to have a policy and procedures to ensure clients are referred to an appropriate program, taking client preferences into account.
- Warming Centres, on the other hand, do not have any such standards for service planning, though operator agreements indicate they should work with Streets to Homes (a unit within TSSS) to provide housing help and support services to Warming Centre clients.

Many Warming Centre and Winter Respite Site clients could benefit from case management

Given the number of refugees and people experiencing chronic homelessness at Warming Centres (including the Surge Site) as well as Winter Respite Sites, additional onsite services and case management could help more clients transition from homelessness to permanent housing.

Some, but not all, program operators provided onsite case management

Recognizing the needs of clients in their programs, staff from two of the six Warming Centres (including the Surge Site) and four of the five Winter Respite programs indicated that they provided onsite case management. This meant that services varied from program to program, rather than providing uniform and predictable operations at each site. Staff at one of the Warming Centres that provided onsite case management informed us that frequently opening and closing made it difficult to provide effective case management [because of potential disruptions in the continuity of service], though they still saw value in providing it.

³² As noted in the Auditor General's 2022 audit, [Part 1 of the Audit of Emergency Shelters: A Focus on Case Management](#), case management is a collaborative process of assessment, planning, care coordination, re-assessment, referral, advocacy, and evaluation to meet the needs of clients, including housing access.

Examples of clients who would benefit from case management

Through our review of SMIS case notes, we found examples of Winter Respite Site and Warming Centre clients with persistent (rather than seasonal) needs for emergency shelter (and permanent housing) who would benefit from ongoing case management. For example:

- A person with a history of chronic homelessness was admitted to a Warming Centre on December 31, 2023. He stayed at the Warming Centre until April 10, 2024, which was when the Warming Centre ceased operation. Since his discharge from the Warming Centre, the client has been staying at one of TSSS' hotel programs. Programs he attended before and after his stay at the Warming Centre recorded case management notes for this client, though there were no entries in SMIS to indicate case management occurred during his time at the Warming Centre.
- A refugee with 69 days of history of shelter use prior to winter 2023/24 was admitted to a Warming Centre on November 19, 2023. He stayed there until he was admitted to a Winter Respite program on November 27, 2023. He then stayed at the respite site until May 8, 2024, spending a total of 171 nights in these Winter programs (longer than the duration of the winter period). According to the discharge notes in SMIS, the client found employment in another Province and left Toronto. While a case note at a shelter program this client had attended prior to winter 2023/24 indicated he was interested in meeting with a settlement worker to seek information and resources to assist his immigration plans, there was no record in SMIS of this occurring at that site, and no case management notes exist in SMIS during this client's stays at winter programs in 2023/24.
- A refugee with a history of chronic homelessness was admitted to a Winter Respite program on November 27, 2023, where he continues to stay, as of November 2024 (the program itself was converted to a full-time Respite program after the winter season ended). There was no record on SMIS of any case management for this client during his over one-year stay at the program.

Warming Centre operators identified case management as an area that needs more focus going forward

Based on feedback TSSS received from Warming Centre operators, TSSS noted that providers were in favour of expanding case management at Warming Centres, in its 2023/24 end-of-season review, by increasing the presence of outreach workers and counselors and providing comprehensive case management plans and ongoing support for clients.

Recommendation:

- 4. City Council request the General Manager, Toronto Shelter and Support Services, to review the services provided at winter programs, taking into consideration the costs and benefits of opportunities to offer some degree of case management and support services that aligns with the needs of their clients.**

B. Improve Financial Accountability to Stretch Dollars Further

Budget and financial monitoring is crucial for accountability

Financial accountability of TSSS's winter programs starts with preparing reasonable and reliable program / site-specific budgets. The budgets should reflect reasonable expectations of costs based on known information or supported assumptions. The budgets then form the baseline against which actual costs are reviewed. It is crucial for TSSS to effectively monitor actual costs against budgets to identify potential cost overruns and inefficiencies.

Robust review of budgets and costs will help to identify opportunities to potentially stretch funding further

A robust review process helps to identify potential areas where costs can be reduced, and where the funding available can be stretched further or used to help more people experiencing homelessness to get indoors when it is cold outside and achieve better outcomes by moving them along the housing continuum towards stable housing.

Through this audit, we identified opportunities where TSSS can stretch its funding further to serve more clients, by improving financial accountability.

B.1. TSSS Needs More Rigour in Reviewing Third-Party Operator Reported Costs

Operating agreements stipulate maximum amounts to be paid to operators as well as a requirement to return applicable surpluses

The agreements between the City and each of the Warming Centre and Winter Respite program service providers (also referred to as operators) stipulated a Contribution Limit, setting the maximum amount the service provider would be paid to operate a winter program.

The Contribution Limits were set based on TSSS-approved operator-specific budgets to operate a site at full capacity on every day / night of the winter season or agreement term.

The agreements also required that any surpluses (i.e. the difference between the Contribution Limit and actual reasonable costs) be credited back to the City once TSSS completed its review and reconciliation of the final cost reports.

Operators were paid over \$12.5 million as of March 2024

The Contribution Limits, across the various agreements to operate the Warming Centres and Winter Respite programs for the 2023/24 winter season, totalled over \$12.5 million.

By July 2024, the operators reported that they had incurred \$9.7 million in costs

In March 2024, TSSS paid the third-party service providers the maximum \$12.5 million towards operating Warming Centres and Winter Respite programs for the 2023/24 winter season. By July 2024, the operators reported back to TSSS that they had incurred nearly \$9.7 million in costs.

Over \$2.8 million in surpluses had not been credited back to the City at the time of our audit fieldwork

As of July 2024, the amounts paid to the service providers exceeded the reported costs by over \$2.8 million. As of October 31, 2024, the surpluses had not yet been credited back to the City.³³ The causes for this are explained in the section below.

Delays in TSSS reviewing final cost reports submitted by operators

TSSS had not finalized its review of operator costs for winter 2023/24, as of October 2024

As of October 22, 2024, TSSS had not finalized its review of the cost reports submitted by the Warming Centre and Winter Respite operators.

TSSS advised us that staff shortages and a lack of formal business processes guiding staff on their review of the final cost reports contributed to delays in completing their reviews and recovering surpluses.

TSSS staff recommended accepting almost all costs submitted by the third-party operators

As of October 22, 2024, TSSS staff recommended that:

- all costs submitted by the third-party operators in the final cost reports be accepted except for \$71,031 in costs where the administrative overhead charge exceeded 15 per cent of project costs; and
- \$50,837 in additional payments be made to address reported budget-to-actual deficit / overspending for two programs, with funding to be allocated from the Winter Program surplus.

In total, TSSS staff recommended that nearly \$2.9 million should be recovered from third-party operators.

³³ On January 8, 2025, TSSS advised us that, of the nearly \$2.9 million to be recovered from the 2023/24 Winter Service Plan, TSSS had recovered \$1.5 million, and, that by January 15, 2025, TSSS expects to recover the remaining \$1.4 million. The amount the Division sought to recover was slightly higher than the initial figure of over \$2.8 million from July 2024, based on TSSS staff recommendations at October 22, 2024.

TSSS management needs to further review reported costs to determine if additional adjustments are needed

Based on our analysis of reports submitted by Warming Centre and Winter Respite Site operators, as well as additional information and supporting documentation we requested during our audit, TSSS needs to further review reported costs to determine if additional adjustments are needed.

A more thorough review of reported costs is needed

TSSS provided a template for their operators to report actual costs incurred and provide explanations for variances between budgeted and actual costs, where variances for a given expense category exceeded +/- 15 per cent or \$5,000.

TSSS' review is not sufficiently detailed to identify costs that may not be reasonable or appropriate

We found that, in general, TSSS staff were only reviewing the variance explanations included by operators in their final cost reports. TSSS staff did not request or obtain source documentation from operators to support actual operating costs, variances, and explanations. TSSS staff also did not independently analyze, identify, question, or follow-up on costs reported that may not be reasonable or appropriate given:

- the fewer number of days that Warming Centres and Winter Respite Sites were open³⁴ during the 2023/24 winter season, compared to what was budgeted; and
- variances were determined by comparing actuals to the budget (and Contribution Limits and payments made to operators) which was based on the sites being opened for the full duration of the winter season.³⁵

Analyzing costs against the pro-rated budgets would have highlighted variances in need of further follow-up

More specifically, we identified a number of additional variances requiring further questioning and follow-up, when we analyzed the costs against the budget, pro-rated for the actual number of days that the sites were open and/or actual number of beds available / occupied during the winter season.

A case example of the analysis, questions, and further follow-up that TSSS staff should have completed related to a Warming Centre, has been included for illustrative purposes below. We also found that similar questions should have been raised for the other third-party operated sites as well.

³⁴ Third-party operated Warming Centres were open between 89 and 99 days and Winter Respite Sites were open between 82 and 153 days. Furthermore, sites were not always operating at full capacity (refer to **Section A.2.** for further discussion about the impact of the deactivation process for Warming Centres and **Section A.3** for further discussion about the impact of ramp-up and ramp-down processes for Winter Respite Sites).

³⁵ The budgets, Contribution Limits, and payments made to the third-party operators were based on sites operating at full capacity for the duration of the entire winter season for Warming Centres (153 days) or the time periods specified in the agreements for Winter Respite program operators (in the range of 123 to 165 days).

Case Study: Analysis of Budgeted and Reported Costs for One Warming Centre

The \$861,795 Contribution Limit for a Warming Centre was based on the budget to operate the site at full capacity for the entire winter season. However, the actual costs reported by the service provider totalled \$738,106 even though the site operated for just over half of the season and not always at full capacity, as summarized in **Table 2** below.

Table 2: Budgeted and Reported Costs and Bed Nights for one Warming Centre

	Amount	Budget Assumption vs Actual Days Open	Total Bed Nights
Contribution Limit	\$861,795	153 days at full capacity every day	3,519
Actual Costs	\$738,106	89 days open, not always at full capacity	1,724

TSSS staff did not ask questions and/or probe deeper about variances in certain expense categories that they would have been able to identify had they compared these expenses to the prorated budget for such categories. For example:

- **Catering / meals** – The \$116,127 in costs for catering reported by the service provider equalled the full budget for the season, even though the site was open for just over half of the season. TSSS staff did not question the reasonableness or ask for further information in support of the reported catering costs.

When comparing reported costs to the budget (prorated for actual bed nights available), actual costs exceed the prorated budget for catering by about \$59,200 (104 per cent). (Note: This is enough money to provide the equivalent of about 1,800 days worth of meals for a single person)

It was only in response to our audit inquiries that TSSS staff asked the operator for explanations. The service provider then advised that they used the allocated budget for other sites / programs they operate. However, the operator was not able to provide documentation to support the reallocation of funding and any outcomes resulting from the reallocation. TSSS staff were not aware that resources had been used toward other programs, as the operator had not advised TSSS staff and had not obtained authorization to reallocate resources elsewhere.

- **Salaries** – The salaries costs reported by the service provider were less than the budget based on being open for the full season. However, when compared to the budget (prorated for days the site was actually open), actual salaries costs exceeded the prorated budget by approximately \$58,300 (22 per cent).

TSSS did not question why the City was being charged for days the Warming Centre was not open or probe further to determine whether the City continued to pay for these staff and how site staff were used when the site was closed. In response to our audit inquiries, the operator indicated management, intake staff, and cleaning staff were contracted for the whole season, whereas the peer workers were there only when the site was open. The operator said that when the site was closed, staff may still be needed for cleanup and preparation, and management attended the site while the site was closed to make sure that everything was secured.

The budget and final cost reports do not reflect these explanations and TSSS did not obtain source records supporting staff positions (and related salaries) that were committed for the whole season versus those that were dependent on the number of days open.

Validating costs against source documents helps to identify potential issues for further follow-up

Also, as illustrated through the previous example, we found that, in general, TSSS did not request and/or review source documents (such as invoices, shift schedules, payroll information) when reviewing the final cost reports and explanations submitted by the service providers. Variance analysis alone is not sufficient to confirm the validity of reported costs and variance explanations.

For example, based on our review of a sample of supporting records provided by a service provider for their salary costs, we estimated that the total salary cost incurred should be around \$605,000. However, they reported to TSSS a total salary cost of over \$750,000, which is about \$145,000 or 24 per cent more than expected based on source records.

At the time of our audit, TSSS was unable to obtain some of the source records we requested from their service providers. We have flagged these for TSSS to continue following up in order to validate reported costs.

TSSS should conduct a more rigorous review including requesting further information and supporting records

For the 2023/24 winter season, TSSS should conduct a more rigorous review of costs reported by third-party operators of Warming Centres and Winter Respite Sites, including requesting further information and supporting records, where necessary, to support the reasonableness and appropriateness of such costs, and to determine whether further surpluses should be credited back to the City.

Going forward, TSSS should implement procedures and guidelines to better support staff in ensuring that a robust review and reconciliation of reported costs is completed promptly at the end of each winter season.

TSSS has not enforced contractual requirements for operators to provide audited financial information

TSSS did not obtain audited financial information for the third-party operated Warming Centres and Winter Respite programs

TSSS' agreements with Warming Centre and Winter Respite operators enable the City to obtain an audited financial statement and reconciliation report with respect to the services provided on an annual basis; and for multi-service service providers, an audited statement of operations pertaining to each Site.

At the time of our audit, TSSS had not obtained audited financial information specific to the operation of Warming Centre and/or Winter Respite Sites from any of the service providers.

TSSS should ensure that audits address the reasonableness and appropriateness of program expenses

Enforcing these agreement terms can provide TSSS with a higher level of assurance of the accuracy and validity of reported costs by program / site. Where TSSS intends to rely on externally audited financial information to confirm the reasonableness and appropriateness of expenses in accordance with agreement terms, staff should confirm that this is addressed within the scope of such audits.

TSSS should require operators to obtain pre-approval of changes impacting budgeted and/or actual costs

Service providers are not required to obtain TSSS' pre-approval for changes

TSSS' agreements with Warming Centre and Winter Respite operators do not require service providers to obtain TSSS pre-approval for operational changes that impact budgeted costs and/or cost per bed night.

For example, during our audit, we found instances where:

- operators committed to incurring certain costs through the entire winter season (regardless of whether the site was open or closed) and/or reallocated or redeployed funding and resources to other programs or purposes when the site was not open;
- operators assigned a different number and level of staff (staff mix and staff to client ratio) and at different salaries and benefits than were agreed to when setting their TSSS-approved budgets; and
- operators incurred higher catering costs than were set out in their TSSS-approved budgets because they ordered more meals than needed (based on site capacity / beds occupied) and/or vendors increased rates during the agreement term.

Significant changes should be communicated in a timely manner to TSSS for pre-approval

TSSS should require their operators to communicate in a timely manner any significant changes that may have an impact on operations or costs; and, obtain pre-approval from TSSS before such changes are implemented (or as soon as possible in the event of an emergency).

Additional training and/or guidance are needed for proper review of budgets and final cost reports

TSSS staff acknowledged the need for additional training and/or guidance to ensure the reviews of budgets and final cost reports are completed properly, consistently, and with sufficient rigour and due diligence.

Recommendations:

- 5. City Council request the General Manager, Toronto Shelter and Support Services, to**

 - a. review costs related to the 2023/24 winter season as reported by third-party operators of Warming Centres and Winter Respite Sites, including requesting further information and supporting records, where necessary; and**
 - b. expedite the finalization of costs and recover any surplus funds paid to the operators related to the 2023/24 winter season.**
- 6. City Council request the General Manager, Toronto Shelter and Support Services, to establish and implement procedures and guidelines to review the reasonableness and appropriateness of reported costs and obtain documented explanations of budget-to-actual variances that are supported by source documents provided by operators. Reconciliations should be reviewed and approved by management, as appropriate.**
- 7. City Council request the General Manager, Toronto Shelter and Support Services (TSSS), to enforce contractual requirements for third-party operators of Warming Centres and Winter Respite Sites to provide, on an annual basis, an audited financial statement and reconciliation report with respect to the services provided by the Service Provider pursuant to their agreements with the City, where TSSS needs to obtain a higher level of assurance from third-party operators of the accuracy and validity of reported costs by program / site.**
- 8. City Council request the General Manager, Toronto Shelter and Support Services (TSSS), to implement processes requiring third-party operators of Warming Centre and Winter Respite Sites to obtain pre-approval, in writing, for any significant changes that may have an impact on operations and/or costs before the changes are implemented, as well as, for any reallocation or redeployment of funding or resources designated for the operation of Warming Centres and Winter Respite Sites to other programs. TSSS should consider whether any changes are needed to the purchase of service agreements with its third-party operators to reflect these requirements.**

9. City Council request the General Manager, Toronto Shelter and Support Services, to make sure staff have sufficient financial knowledge and/or training to analyze and review the operating budget to ensure rates and assumptions are consistent and reasonable, as well as to ensure actual reported costs are accurate, valid, and appropriate.

B.2. TSSS Should Establish Procedures and Guidelines for Developing and Analyzing Budgets to Help Stretch Funding Further

Similar to the need to provide more guidance on reviewing and reconciling final reported costs, TSSS should establish procedures and guidelines for developing and analyzing budgets more thoroughly. Doing so can help to identify opportunities to stretch funding further.

Third-Party Operated Sites

TSSS does not have procedures and guidelines for budget preparation and review

TSSS does not have procedures or guidelines for developing budgets for third-party operated sites. TSSS staff use their discretion to determine whether the budgets for third-party operated sites are reasonable.

TSSS staff advised us that they worked collaboratively with third-party operators to set the final operating budgets for Warming Centres and Winter Respite Sites, taking into consideration site-specific requirements of the operating space (e.g. layout, location, requirement for community safety team, etc.).

TSSS does not compare different operators' budgets (for similar types of expenses) to assess their reasonableness

TSSS staff did not compare the budgets of the different service provider and City-operated Warming Centre and Winter Respite Sites, to assess whether the budgeted rates (per bed night or per day / night) for similar expense types were reasonable and consistent.

TSSS staff advised us that where a service provider also operated another site in the base shelter system (e.g., an emergency shelter or hotel shelter), they compared budgeted costs (e.g. daily meal rates) for the winter program sites to the base shelter system sites. We note, however, that emergency shelters, respite sites and Warming Centres have different service requirements.³⁶ Therefore, the costs to operate different types of programs (i.e., emergency shelter vs. respite site vs. Warming Centre) would not be expected to always be fully comparable.

³⁶ Refer to **Figure 2** in the **Background** section for the summary of the different service requirements.

Wide variation in costs to operate Warming Centres and Winter Respite programs

For the 2023/24 winter season, the budgeted and reported costs to operate Warming Centres and Winter Respite programs varied from operator to operator. **Table 3** summarizes the ranges in costs per bed night, including costs TSSS paid directly.

Table 3: Budgeted and Reported per Bed Night Costs³⁷ for Third-Party Operated Warming Centres and Winter Respite Programs, 2023/24 Winter Season

	Range in budgeted costs per bed night	Range in reported costs per bed night when the site was open and operating
Warming Centres	\$266 - \$323	\$336 - \$491
Winter Respite Programs	\$135 - \$205	\$142 - \$314

Examples of budgeted costs that varied widely (on a per bed night or per day / night) basis across Warming Centres

At a more detailed level, based on our analysis of the approved budgets across third-party operators of Warming Centres, there were significant variances in the budget (per bed night) for certain cost categories. For example:

- **Salaries and Benefits** – The budgeted weighted average hourly rates for salaries and benefits across the sites varied from around \$26 to \$33 per hour. In addition, budgets and final cost reports indicate that each Warming Centre (and also the Winter Respite Sites) used a different mix of staff levels, and staff to client ratios.
- **Catering / Meals** – The budgeted catering cost per bed night (all meals for a day) ranged from around \$26 to \$33 daily when catering services were contracted / provided by the third-party operator³⁸ and ranged from \$37.44 to \$46 daily when the City contracted for catering services.³⁹

³⁷ The amounts exclude startup costs as well as fit-up / repair costs paid directly by TSSS for all applicable sites. The 75 Elizabeth Street site operated as a Warming Centre for most of the winter, and as a Winter Respite Site for a short period of time – all costs related to 75 Elizabeth Street are classified as Warming Centre costs, because of the way they were budgeted and reported. The operator of a Winter Respite program at the Better Living Centre operated the Warming Centre at Metro Hall for a short period of time after the Winter Respite closed – all costs related to these two programs are classified as Winter Respite costs, because of the way they were budgeted and reported.

³⁸ Some of the third-party operators have social enterprises that provide the catering services for their Warming Centre or Winter Respite Sites.

³⁹ TSSS has entered into several non-competitive contracts and/or contract extensions for catering services (amongst a number of other non-competitive contracts). A review of non-competitive procurements was not included within the scope of this audit but is being considered as a potential audit for a future Auditor General's annual work plan.

- **Community Safety Team** – Two operators included budgets for community safety teams.⁴⁰ The budgeted cost ranged from \$20 to \$26 per bed night. We noted that TSSS did not provide the operators with guidance on service delivery expectations, such as the number of team members, daily / weekly hours, or qualifications required, to ensure that the operators procured the necessary services consistently, and/or as expected.

TSSS should establish guidelines for budget review

TSSS should establish guidelines for TSSS staff reviewing budgets, so that they are aware of what are considered reasonable rates for different cost categories, can probe variances or inconsistencies, and can seek further documentation or information to corroborate explanations. Doing so can help TSSS identify opportunities to reduce costs and stretch funding further, to serve more clients in a system that faces challenges in meeting the demand for shelter beds and assistance in accessing stable, affordable housing. For example:

Standardizing rates can help to potentially stretch dollars further

- TSSS can establish guidelines on reasonable salary and benefit rates, mix of staff, and the expected staff to client ratio at sites. For example, the salaries and benefits costs for peer workers varies across third-party operators and TSSS does not use peer workers at its directly operated sites. One operator's budgeted hourly salary and benefit rate for peer workers is over 20 per cent more than the rate used by the other two operators.
 - Standardizing the rate can help to potentially stretch dollars further by freeing up approximately \$125,000 for Warming Centres across one winter season, based on 2023/24 winter season financial data. This amount is equivalent to the cost of providing housing allowances to eight households for a year, (valued at \$1,300 per month on average), to make rental housing more affordable for people needing assistance to access stable housing.

⁴⁰ TSSS advised that, during the 2023/24 winter season, they piloted community safety teams at two Warming Centres, after meetings with stakeholders such as local ward Councillors, community members, and/or local businesses, to discuss the impact of previous programs in the area and anticipated community impact.

Competitive procurement and cooperative purchasing are additional opportunities for standardizing and reducing catering costs

- TSSS can also review its catering contracts as well as those of its operators. In reviewing the contracts, TSSS should consider a competitive procurement process and/or cooperative purchasing for catering or food services across third-party and directly operated Warming Centres and Winter Respite Sites (as well as all other shelter programs). There may be opportunities to reduce costs by leveraging economies of scale through contracting for catering services to multiple locations.

TSSS should also consider opportunities for further potential savings by scaling cooperative purchasing with other city program areas, like Long-Term Care Homes and Children's Services, who also require food services.

- Where competitive procurement or cooperative purchasing can help to standardize or lower pricing to the low or mid-point of the current range, this can help to potentially stretch dollars further by between six to ten per cent, freeing up approximately \$115,000 to about \$197,000 for Warming Centres and Winter Respite Sites across one winter season, based on 2023/24 winter season financial data. This amount is equivalent to the cost of providing seven to 12 additional housing allowances to households for a year to make rental housing more affordable for people needing assistance to access stable housing.

TSSS advised that in applying an equity lens to providing service, they are striving to meet ethno-cultural food requirements of the diverse client population they serve. TSSS has indicated that this may not always translate into affordability / lowest price. Still, TSSS should explore opportunities to reduce costs in order to stretch funding further to serve more clients in the shelter system that is facing challenges in meeting demand for shelter beds and stable, affordable housing.

TSSS Directly Operated Sites

2024 was the first year TSSS had a designated budget for its winter programs

2024 was the first year TSSS had a designated budget for its winter programs, and the first year the Division prepared site-level budgets for the two sites it directly operated (a Warming Centre and a Surge Site).

TSSS budgeted significantly more than was needed for its two directly operated sites

Based on our analysis, TSSS budgeted significantly more than was actually needed to operate the two sites. For example,

- **Catering / Meals** – TSSS budgeted around \$804,000 for the two sites for the period from January to April 2024, which was enough to provide more than 21,100 daily meals. This is nearly \$516,000 more than the budget needed or nearly 2.8 times the number of meals needed if the Warming Centre was open the entire period and the Surge Site was open half the period, with both operating at full capacity.
- **Salaries and Benefits** – For the period from January to April 2024, TSSS' budget for salaries and benefits for the two directly operated sites exceeded actual costs by over \$1,000,000, including overtime and premium pay. Even if the Warming Centre was open the entire period and the Surge Site was open half the period, we estimate that the budget would have exceeded actual costs by more than 30 per cent (or \$418,000).

Freeing up between \$934,000 and \$1.5 million in funding is equivalent to the funding needed to operate one additional Winter Respite Site with capacity of 26 to 42 people for the entire winter season (based on costs incurred during the 2023/24 winter season). Alternatively, this is equivalent to the amount needed to provide housing allowances to between 59 and 96 households for one year to make rental housing more affordable for people needing assistance to access stable housing.

TSSS could potentially free up between \$1.1 to \$1.8 million in funding

In total, the third-party operator and directly operated examples⁴¹ discussed in this section illustrate the potential to free up between \$1.1 and \$1.8 million in funding if there were guidelines setting out reasonable rates and improved budgeting for directly operated sites.

TSSS advised some changes / improvements were made to its 2025 budget request

TSSS advised us that, taking into consideration information we shared during the audit, they attempted to implement some changes for both third-party and directly operated sites in their 2025 operating budget request.

⁴¹ Includes standardizing salaries and benefits rate (i.e. \$125,000, page 44), standardizing daily meal rates (i.e. \$115,000 to \$197,000, page 45), and improving budgeting for directly operated sites (i.e. \$934,000 to \$1,500,000, page 46).

TSSS can improve its winter program budget preparation and review processes by:

- establishing budget preparation and review procedures and guidelines for operators and staff to follow and to support a more consistent and thorough review;
- comparing similar costs across all third-party operators to help identify sites that may have too much or too little budgeted; and
- ensuring budgets for directly operated sites are not unreasonably overestimated so that it can be freed up to be used towards providing additional beds across the shelter system and/or more financial assistance to make rental housing more affordable for people needing assistance to access stable housing.

Recommendations:

- 10. City Council request the General Manager, Toronto Shelter and Support Services (TSSS), to establish procedures, guidelines, benchmarks for rates or ratios for key cost categories, and/or criteria to ensure that when TSSS staff develop and review program and site-specific budgets, that they:**
 - a. determine what rates are considered reasonable for different cost categories;**
 - b. identify and follow-up on inconsistencies;**
 - c. request and review source documentation (e.g. third-party operators' agreements with their vendors) or additional information to corroborate explanations; and**
 - d. identify opportunities to reduce costs and stretch funding further to serve more clients, when possible.**

11. City Council request the General Manager, Toronto Shelter and Support Services, in consultation with the Purchasing and Materials Management Division, to review its catering contracts for opportunities to obtain better pricing and further savings including the potential for:
 - a. leveraging economies of scale to provide catering services to multiple shelter locations and programs; and
 - b. scaling and cooperative purchasing with other City program areas, like Long-Term Care Homes and Children's Services, who also require meal services.

B.3. Review the Practices Applied to Deactivating Sites and the Related Costs for Opportunities to Stretch Funding Further

TSSS set out which Warming Centres would close first upon deactivation

TSSS set a prioritization order for Central Intake to refer existing clients, who remained at Warming Centres during deactivations⁴², to beds or spaces elsewhere in the shelter system as they became available, as summarized in **Table 4**,

Table 4: Prioritization Order to Deactivate and Close Warming Centres

Priority	Site	Site capacity	TSSS reason for prioritization	Description of cost structure
1	12 Holmes Avenue	46	Other programs are run at the site/in the space during the winter season when the weather is warmer.	Operator reported that many costs were dependent on how long the site was opened and/or the number of clients being served.
2	136 Spadina Road	23	Smaller site is generally more expensive to operate.	Operator reported that costs were largely fixed for the season and were not dependent on the number of clients being served.
3	75 Elizabeth Street / Metro Hall ⁴³	60 / 45	Third-party operated site	Operator reported that many costs were variable and dependent on how long the site was opened
4	885 Scarborough Golf Club Road	48	City-operated site	City reported that costs were dependent on how long the site was opened

⁴² As discussed in **Section A.2**, during Warming Centre deactivations, no new clients were admitted. Sites remained open while staff worked to refer clients to other shelter programs – meaning they were operating at less than full capacity (i.e., beds were left vacant as clients were discharged).

⁴³ After the Winter Respite programs at the Better Living Centre were closed, 75 Elizabeth Street was transitioned to a Winter Respite Site and Metro Hall opened as a Warming Centre.

Warming Centres were prioritized for closure without consideration of each operator's cost structure

TSSS' prioritization order did not sufficiently consider each site's cost structure – specifically, whether the costs to operate the site were fixed (i.e., costs committed for the entire season regardless of whether the site was open or closed) or variable (i.e., dependent on whether the site was open and/or dependent on the number of clients being served).

Prioritizing sites where operators have more flexible cost structures could help reduce costs and stretch funding further

We recognize that there may be important factors other than costs that must be considered for prioritization of site closures (such as specific agreement terms to return the site to normal operations as quickly as possible). Nonetheless, closing sites with more flexible cost structures later than those with cost structures that were fixed for the season may not result in the best value for money. For example, as noted in **Table 4** above, the Warming Centre at 136 Spadina Road had costs that were committed for the whole season. However, TSSS prioritized this as the second site for closure upon deactivation. Whereas, if TSSS had kept the site open for longer, we estimate that the overall costs to operate the site may be only slightly higher while providing many more bed nights.

TSSS should review its practices for prioritizing sites that are deactivating

TSSS should review the practices applied for deactivating and closing sites (including how they prioritize sites for closure), as this may present opportunities to stretch existing funds further to provide more beds. Scenarios that can be considered may include, but are not limited to:

- matching sites with leasing costs to operators with higher fixed costs and matching sites with no leasing costs to operators with more flexible operating costs, and prioritizing those site / operator pairings with the greatest flexibility for closure first;
- staggering the deactivation of Warming Centres (prioritized based the flexibility of the cost structure of the site / operator pairing) so that there are more beds available longer to address unmatched callers⁴⁴ who would like to access a shelter bed;
- where possible, closing one or more of the Warming Centres immediately (or faster) upon deactivation (prioritized based on the flexibility of the cost structure of the site / operator pairing) to be able to reallocate funding to increase the availability of less costly shelter and housing options, including housing allowances and subsidies for more stable forms of housing;

⁴⁴ Refer to **Section A.1.** for further discussion on the data TSSS collects on unmatched callers (i.e., people who call Central Intake seeking a bed who are not matched to one)

- keeping one or more of the Warming Centres open 24/7 throughout the winter season, especially if the majority of costs are committed for the entire season; and
- some other variation or combination of these scenarios.

Recommendation:

- 12. City Council request the General Manager, Toronto Shelter and Support Services, to review the practice applied to deactivating and closing Warming Centres (including how sites are prioritized for deactivation and closure) taking into consideration the client experience, cost structure, and potential opportunities to stretch existing funds further and potentially provide more beds.**

B.4. Address Delays in Finalizing Agreements with Third-Party Service Providers

Purchase of Service agreements for 2023/24 winter season were not finalized until February 2024

For the 2023/24 winter season, due to the delays in finalizing budgets, Purchase of Service agreements between TSSS and the operators of Warming Centres and Winter Respite programs were not finalized and executed until February 2024. The City can be exposed to risks such as legal liability and insurance coverage gaps, among others, when TSSS allows the third-party service providers to begin operating sites without properly executed agreements in place.

At the start of the 2024/25 winter season, agreements had, again, not been finalized

At the start of the winter 2024/25, TSSS had not yet finalized the agreements with the third-party operators of Warming Centres and Winter Respite programs for the 2024/2025 winter season. Operations of some sites began on November 15, 2024.

TSSS advised that the Purchase of Service agreements are expected to be fully executed by mid-December 2024.⁴⁵

Recommendation:

- 13. City Council request the General Manager, Toronto Shelter and Support Services, to ensure that, going forward for winter 2025/26 and beyond, all Purchase of Service agreements with third-party operators for Warming Centres and Winter Respite programs are executed before sites begin operation.**

⁴⁵ On January 8, 2025, TSSS advised us all agreements for the 2024/25 Winter Services Plan had been signed.

B.5. Strengthen the Review and Analysis of Budgets Submitted in Response to Requests for Expression of Interest for Warming Centre Operators

TSSS did not thoroughly analyze the budgets submitted in response to the REOI

TSSS' Request for Expression of Interest (REOI) for 2023/24 Warming Centre Operators included a requirement for potential service providers to submit a budget. In evaluating responses to the REOI, TSSS did not thoroughly analyze or compare the budgets submitted to determine reasonableness of budgets / costs proposed.

Actual budgets were expected to differ from the budgets submitted for the REOI

TSSS staff advised that they did not analyze the budgets in detail because they anticipated that changes would need to be made based on factors such as operating location, building layout, number of beds, staffing requirements, dietary needs, etc. Furthermore, they informed us that the actual budget was determined using a collaborative approach between the operator and TSSS staff after service providers were selected and matched to a site location.

Where the REOI includes a requirement to prepare a budget for the expected services, and the budget makes up 20 per cent of the evaluation score, then we would expect TSSS to better utilize the submitted budgets and review and compare the budget submissions across the potential operators. TSSS should also use this information to assess whether the subsequent revisions to arrive at a final budget are reasonable.

Recommendation:

- 14. City Council request the General Manager, Toronto Shelter and Support Services, to strengthen the review and analysis of budget information submitted in response to the Requests for Expression of Interest and/or Requests for Proposals for Warming Centres, and other shelter programs, as appropriate.**

B.6. Broader Applicability of Audit Observations and Recommendations to Other Shelter Programs Operated by Third-Party Service Providers

Some audit observations and recommendations may be applicable across the broader shelter system

TSSS uses third-party service providers to operate many of its regular emergency shelter programs (including shelter hotels) and year-round 24/7 respite sites. As summarized in **Table 5**, TSSS advised that it paid approximately \$265 million in 2023 and approximately \$220 million in 2024 (through the end of September), to third-party operators.

Table 5: Total Cost for Third-Party Shelter Operators, Excluding Winter Programs

Category	2023	2024 (to September)
Emergency Shelter	\$83,213,000	\$71,373,000
Temporary Hotel Program	\$62,706,000	\$37,300,000
Year-round 24/7 respites	\$18,996,000	\$15,618,000
Refugee & asylum claimant programs	\$70,223,000	\$72,183,000
Housing and Shelter Infrastructure Development project	\$30,102,000	\$23,697,000
Total	\$265,240,000	\$220,171,000

Source: TSSS (unaudited)

Though the focus of this audit was limited to Warming Centres and Winter Respite Sites, it is our view that a number of the observations and recommendations regarding the need for strengthened financial control and accountability measures have broad applicability to the other shelter programs, particularly those operated by third-party service providers.

Recommendation:

- 15. City Council request the General Manager, Toronto Shelter and Support Services, to review the Auditor General's observations and recommendations to strengthen financial controls for applicability to the other shelter programs operated by third-party service providers, and implement the recommendations for those programs, as appropriate.**

Conclusion

TSSS' Winter Services Plan aims to ensure beds are available indoors for those experiencing homelessness during the winter season

This report highlights the results of our audit of Winter Respite Sites and Warming Centres, two critical areas of TSSS' Winter Services Plan. The programs support the Winter Services Plan's goal of ensuring indoor spaces are available for those experiencing homelessness during the winter season, when cold weather-related health and safety risks are higher.

People experiencing homelessness are turned away on a daily basis and there are opportunities to better understand demand

Based on information from Central Intake as well as interviews with Warming Centre and Winter Respite program operators, we found that people experiencing homelessness are turned away from sites when space is not available. However, TSSS does not track how many people try to access its Warming Centres and Winter Respite Sites on a walk-in basis and leave because the programs are full, providing an incomplete understanding of the number of people turned away and whether they found alternate shelter for the night.

Opportunities to strengthen review and analysis of budget and actuals, to stretch dollars further

We also found that there are opportunities to improve financial accountability for budgets and actual costs incurred to operate Winter Respite programs and Warming Centres. Strengthening financial controls will improve TSSS' ability to ensure these winter services are operated more cost-effectively, to maximize use of constrained resources and to stretch dollars further.

15 recommendations to improve the efficiency, effectiveness, and economy of Winter Respite Sites and Warming Centres

In our view, implementing the 15 recommendations contained in this report will help TSSS improve the efficiency, effectiveness, and economy of Winter Respite Sites and Warming Centres, by maximizing the number of bed nights programs offer, improving policies, procedures, and data collection, and taking action on opportunities to stretch funding further. TSSS can then recommend to City Council how to use the funding to help more people experiencing homelessness to access indoor spaces when it is cold outside and/or to further its work toward ensuring people who use shelters have access to the services and supports they need to help them achieve a suitable housing outcome.

Audit Objectives, Scope and Methodology

Audit included in the 2024 work plan

The Auditor General's 2024 Work Plan included an audit of Winter Respite Sites and Warming Centres for people experiencing homelessness.

Audit Objective

The objective of this audit was to assess whether Winter Respite Sites and Warming Centres (a) support the overall shelter system in providing a sufficient number of beds to consistently enable access to beds for people seeking them during winter and are (b) cost effective. This audit aimed to answer the following questions:

- Are individuals experiencing homelessness turned away from Winter Respite Sites and/or Warming Centres?
- Are Winter Respite Sites and/or Warming Centres operated cost-effectively to maximize use of the constrained resources, such as budget, number of sites, and/or number of operators?

Scope

This audit focused on the operations of Winter Respite Sites and Warming Centres during the winter operating period from November 15, 2023 to April 15, 2024.

Areas not covered within the scope of this audit

Winter programming other than Winter Respite Sites and Warming Centres, such as programming in shelters and other drop-in spaces such as Alternative Space Programs, were not included within the scope of this audit. The audit scope also excluded site identification and selection as well as the overall effectiveness of the information systems used to support housing and homelessness services.

Methodology

Our audit methodology included the following:

- Reviewing 24-Hour Respite Site Standards and other relevant policies and procedures
- Reviewing information in relevant City media releases about the 2023/24 and 2024/25 Winter Services Plans for people experiencing homelessness
- Reviewing relevant reports to City Council and Committees
- Interviewing staff from TSSS, Corporate Real Estate Management, and staff at all Winter Respite programs and Warming Centres that operated during the 2023/24 winter period

- Visiting all Warming Centres and three of four Winter Respite Sites
- Analyzing Shelter Management Information System (SMIS) data pertaining to Winter Respite programs and Warming Centres, including occupancy, capacity, and client case management
- Analyzing data maintained by TSSS' Duty Office relevant to Warming Centre activation days and occupancy
- Reviewing lease and operating agreements for Winter Respite Sites and Warming Centre operations in winter 2023/24
- Reviewing and analyzing TSSS budget documents
- Reviewing and analyzing costs reports from third-party operators
- Reviewing a sample of source documents supporting costs reported by each of the third-party service providers (such as invoices, shift schedules, payroll information), purposefully selected to cover a week when the sites were fully occupied, a week when the sites were less than fully occupied, and a week when the sites were closed
- Other procedures as considered appropriate

Limitations

Our findings and conclusions were based on the information and data available at the time audit fieldwork was completed.

- In some cases, third-party operator(s) could not provide the information we requested. However, this did not limit our conclusion on the overall objectives.
- In some cases, the data extracted from SMIS did not reflect actual operations, such as beds being shown as available during deactivation days despite new admissions being prohibited. In these cases, we worked with TSSS staff to determine when to overwrite values in SMIS data extracts with more appropriate values.

Compliance with generally accepted government auditing standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Exhibit 1: Glossary

24/7 Warming Centre Operating Model: A Warming Centre that operates continuously rather than activating and deactivating based on temperature and weather. TSSS piloted this model between February 16, 2023 and April 15, 2023.

Actively Homeless: The term used by Toronto Shelter and Support Services to describe anyone who has used shelter services at least one time in the past three months and was not recorded as exiting to permanent housing.

Alternative Space Program: Programs that provide temporary overnight spaces that are activated only when there are no suitable shelter or other overnight spaces available. These spaces (chairs or cots) are not intended for use as long-term shelter spaces and are located within existing homelessness shelter facilities in common spaces such as dining rooms or meeting rooms.

Base Shelter System: The portfolio of shelter and respite programs that operate year-round which are periodically supplemented by winter-specific programs.

Bed: A cot, mat, or similar apparatus and associated space that can be assigned to a client and where a client can lay or rest.⁴⁶

Bed Nights: A count of how many times a TSSS client was admitted to a bed for the night. A five-night stay for a client would be counted as five bed nights.

Central Intake: A City-operated, 24/7 telephone-based service that offers referrals to emergency shelter and other overnight accommodation, as well as information about other homelessness services.⁴⁷

Chronic Homelessness: The term used by Toronto Shelter and Support Services for people who have experienced homelessness for six months (180 days) out of the past 12 months, or 18 months (546 days) out of the past three years.

Community Safety Team: People trained to deal with situations outside of Warming Centres. These teams are meant to mitigate issues and work to liaise with the neighbourhood and Warming Centre staff to make sure issues are addressed.

Drop-in Program: A program that can be accessed on a walk-in basis rather than requiring a referral through Central Intake. Such programs provide a range of services that may include food, healthcare, showers, laundry, information and referrals, and social and recreational activities to people who are homeless or at risk of homelessness.

Emergency Shelter: Buildings with onsite programming that provide temporary accommodation and related support services that assist people to move into housing. All locations are staffed 24 hours a day, seven days a week, and provide various supports, including meals and laundry, access to harm reduction and mental and physical health supports, counsellors/case managers to develop permanent housing plans, and assessments and referrals to other community services, as needed.

⁴⁶ This definition is used interchangeably in this report with “resting space”. The definition provided is consistent with how resting spaces are defined in [TSSS’ 24-Hour Respite Site Standards](#).

⁴⁷ [Central Intake – City of Toronto website](#)

Housing First: A Housing First approach focuses on helping people to find permanent housing as quickly as possible and providing the supports they need to live as independently as possible. The underlying philosophy of Housing First is that people are more successful in moving forward with their lives if they first have housing.

Low-barrier: A program model designed to ensure there is ease of access for people who may not otherwise access shelter services by reducing entry requirements, for example, by not requiring identification.

Overflow Space: Indoor area where clients can wait to be admitted to a bed.

Peer Worker: An individual who provides support to others based on their own lived experience.

Ramp-down period: Period of time before Winter Respite Sites were closed for the winter season, when TSSS stopped admitting new clients to the sites while it worked with other programs to refer clients elsewhere prior to the site closures.

Ramp-up period: Period of time when some Winter Respite Sites did not open to their full capacity required in the Purchase of Service agreements.

Shelter Management Information System (SMIS): The Shelter Management Information System (SMIS) is a bed management tool, developed internally by the City. SMIS is used by TSSS staff and shelter service providers to collect, store and retrieve client information and to facilitate access to shelter services by identifying available beds in real time (e.g. intake and discharge), case management and service planning.

Surge Site: A Warming Centre that activates when temperatures reach -15 °C rather than -5 °C.

Turnaway: In this report, turnaway refers to occasions or circumstances when individuals cannot be provided with space to stay indoors overnight at a Winter Respite Site, Warming Centre, or Surge Site on the night they seek that space.

Warming Centre: An indoor space for people during cold weather that provides beds, meals, access to washroom facilities, and referrals to emergency shelter. Individuals experiencing homelessness access these programs on a walk-in, first-come, first first-served basis, without having to contact Central Intake. Warming Centres are activated when temperatures are expected to fall below -5 °C (or -15 °C for Surge Sites, which are Warming Centres that only operate on the coldest days) and/or when Environment and Climate Change Canada issues a winter weather event warning.

Warming Centre activation (also referred to as “activating”): TSSS opens additional spaces in Warming Centres when temperatures reach -5 °C (-15 °C for Surge Site) or colder; and/or when Environment and Climate Change Canada (ECCC) issues freezing rain, snow squall, winter storm, snowfall and/or blizzard warnings.

Warming Centre deactivation (also referred to as “deactivating”): When the temperature is not forecasted to be -5 °C or colder and there are no weather warning signs for the following three days, TSSS stops admitting new clients to Warming Centres when all clients would either make their arrangements or referred to shelter prior to the site closure.

Winter Season: The continuous period from November 15 to April 15 of the following calendar year that Winter Respite programs and Warming Centres operate.

Winter Respite program: A 24/7 alternative to emergency shelters that is only designed to operate during the winter period and prioritizes ease of access to beds meals, and service referrals for individuals experiencing homelessness.

Winter Respite Site: A location with one or more Winter Respite programs onsite.

Exhibit 2: Winter Respite Site, Warming Centre, and Surge Site Capacity, Winter 2023/24 and Planned 2024/25

The table below summarizes actual Winter Respite and Warming Centre program capacity for the 2023/24 winter season and planned capacity for the 2024/25 winter season by site. This seasonal capacity is in addition to the shelter and respite beds provided on a 24/7 basis year-round.

	Winter 2023/24 -- Actual Capacity	Winter 2024/25 -- Planned Capacity
Winter Respite Programs		
195 Princes' Boulevard	150	150
195 Princes' Boulevard (Refugee Program)	150	150
502 Spadina Avenue ¹	50	15
22 Metropolitan Road	38	38
29 Gerrard Street East	30	30
Added Winter Respite Program Beds	418	383
Warming Centres		
136 Spadina Road	23	23
75 Elizabeth Street ² / 81 Elizabeth Street	60	101
12 Holmes Avenue	46	49
885 Scarborough Golf Club Road ³	48	45
55 John Street ⁴	-	30
Added Warming Centre Beds	177	248
Surge Site		
58 Cecil Street	30	30
870 Queen Street East	-	30
Added Surge Site Beds	30	60
Total Beds in Audit Scope	625	691

Prepared by the Auditor General's Office; Source of data: TSSS

Notes:

¹ The 50 beds provided in winter 2023/24 were converted to year-round beds as the program transitioned to a 24/7 respite program when the winter period ended, and thus are not included as winter 2024/25 capacity.

² While a Warming Centre for most of winter 2023/24, the 75 Elizabeth Street program was converted to a Winter Respite program on March 8, 2024.

³ Work is underway to add 20 additional beds to the 885 Scarborough Golf Club Road Warming Centre. TSSS plans for these beds to be available by the end of January 2025.

⁴ The Warming Centre at 55 John Street began operating in March 2024 following the conversion of the 75 Elizabeth Street program to a Winter Respite program, so the two programs did not operate as Warming Centres at the same time.

Exhibit 3: Property Requirements and Functional Criteria for Emergency Shelters, 24-hour Respite Sites and Warming Centres

The table below summarizes property requirements and functional criteria for emergency shelters, 24-hour Respite Sites and Warming Centres, including:

- Located across the City of Toronto
- Size
- Proximity to transit and resources
- Accessible infrastructure
- Meet zoning and shelter-by law requirements

	Emergency Shelters	24-hour Respite Sites	Warming Centres
Number of clients	Space for approximately 80 to 100 beds	Space for approximately 50 to 100 cots	Space for approximately 30 to 50 cots
Minimum Sq. Ft	20,000 sq. ft.	8,000 sq. ft.	3,000 sq. ft.
Activation	Long term site, activated year-round	Activated for the duration of the winter season (some respite sites operate year-round)	Activated when temperatures reach -5 °C or colder or in response to active weather alerts
Agreement Term	Availability for purchase or lease for a minimum of 10 years	November 15 – April 15 of the following year for winter respite sites OR Short- to medium-term lease for year-round respites	November 15 – April 15 of the following year
Meals and dining space	<ul style="list-style-type: none"> • Hot meals served • Dining area required • Area for storing and serving meals 	<ul style="list-style-type: none"> • Hot meals served • Dining area required • Area for storing and serving meals 	<ul style="list-style-type: none"> • Cold meals served • Dining area preferred • Fridge for storing cold meals required (fridge can be provided, if needed)
Showers	1 shower per 20 clients required	1 shower per 20 clients required	Showers are preferred but not required
Washrooms	1 toilet per 15 clients	1 toilet per 15 clients	1 toilet per 15 clients
Staff space	Staff space and staff washroom required	Staff space and staff washroom required	Staff space and staff washroom required
Fire and Life Safety	Fire and Life Safety System required	Fire and Life Safety System required	Fire and Life Safety System required

Source: TSSS

Appendix 1: Management's Response to the Auditor General's Report Entitled: "Audit of Toronto Shelter and Support Services – Warming Centres and Winter Respite Sites: Understanding and Addressing Demand While Improving Financial Accountability to Stretch Dollars Further"

Recommendation 1: City Council request the General Manager, Toronto Shelter and Support Services, in collaboration with Winter Respite Site and Warming Centre operators, to review methodologies for collecting data to better understand unmet demand and how many winter program spaces are needed, by taking into consideration:

- a. the number of overflow space users each day (i.e., people who are able stay inside at a site but are not able to access a bed therein); and
- b. the number of individuals who try to access a bed on a drop-in basis but are turned away, directed elsewhere, or leave without accessing a bed or overflow space each day.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: As part of the 2024/2025 Winter Services Plan, TSSS has implemented tracking of overflow spaces at Warming Centres. By Q4 2025, TSSS will conduct a review to assess tracking of overflow spaces at 24-Hour Winter Respites Sites and the feasibility of collecting data on people who are not able to access services. The review will the assess the operational feasibility and data value of documenting the volume of requests for service that cannot be met at Warming Centres.

Recommendation 2: City Council request the General Manager, Toronto Shelter and Support Services, to review procedures and practices for deactivation (including leaving beds vacant), taking into consideration information on demand, unmatched callers, overflow, and turnaway. Such review should evaluate the costs and benefits of different practices for deactivation that do not compromise client health and safety (potentially informed by pilots to determine the impacts on unmet demand and turnaway).

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will review various deactivation strategies, including conducting a cost-benefit analysis, to strengthen deactivation procedures and practices (by Q3 2025).

Recommendation 3: City Council request the General Manager, Toronto Shelter and Support Services (TSSS), in collaboration with the Corporate Real Estate Management Division where necessary, to maximize the beds made available (within funding constraints) by Winter Respite Sites, Warming Centres, and Surge Sites during the winter period by:

- a. negotiating lease terms that allow access to the premises for these operations for the entirety of the winter period, and working to secure temporary sites for periods when this is not possible;
- b. signing operating agreements and completing necessary planning, capital and site preparation work so that all funded beds can be made available at the start of the winter season or as early as possible after the start of the agreement period;
- c. standardizing TSSS methodology to determine reasonable timelines for ramping up and ramping down Winter Respite programs and communicating such guidelines to operators;
- d. evaluating the costs and benefits of closing programs on April 15 and/or staggering program closures beyond the end of the winter period;
- e. prioritizing the use of public real estate assets for future Winter Respite Sites, Warming Centres, and Surge Sites; and
- f. developing a formal contingency plan to make spaces available when the shelter system is full, including Winter Respite Sites and Warming Centres, during the winter period.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: <p>TSSS will continue collaborating with the Corporate Real Estate Management (CREM) division to best ensure the timely availability of spaces for any 24-Hour Winter Respite Sites, Warming Centres, and Surge Sites.</p> <p>Additionally, TSSS will continue to work with CREM to negotiate real estate agreements that reasonably meet the requirements of the City. In addition to ongoing collaboration with CREM to identify and secure temporary sites to meet service requirements, TSSS will document contingency strategies to address potential gaps in service delivery, ensuring alignment with winter response objectives.</p> <p>While some construction timelines and site readiness may be impacted by factors beyond control of the City, TSSS will work with CREM so that capital work is completed as early as possible. To better ensure that space is ready at the start of the winter season or as early as possible, TSSS will complete operating agreements, planning, and site preparations. To further support operational readiness, TSSS will develop standardized timelines for ramp up and ramp down and communicate guidelines to third-party operators.</p> <p>To address peak demand and capacity constraints, TSSS will continue leveraging Alternate Space Programs (ASPs), which use common areas in existing shelters to provide additional spaces. TSSS is also exploring opportunities to incorporate flexible shelter designs that allow for scaling operations up or down as needed, improving our ability to respond effectively to changing demand throughout the winter season.</p>

TSSS will evaluate the cost and benefits of closing programs on April 15 and/or staggering program closures beyond the end of the winter period and explore opportunities to improve the approach to winter program closures. This analysis will assess potential program closure dates/approach with consideration to cost, feasibility, impacts on clients and operators, and capacity/ability to effectively use space across the system.

This work will be completed by Q1 2026.

Recommendation 4: City Council request the General Manager, Toronto Shelter and Support Services, to review the services provided at winter programs, taking into consideration the costs and benefits of opportunities to offer some degree of case management and support services that aligns with the needs of their clients.

Management Response: ☒ Agree ☐ Disagree

Comments/Action Plan/Time Frame:

TSSS will review the services provided at winter programs (Warming Centres, 24-Hour Winter Respite Sites, Surge Sites) and complete an analysis to assess the cost / benefit of opportunities and feasibility to offer some degree of case management and support services that aligns with the needs of clients.

Additionally, TSSS will develop (by Q1 2026) a document identifying opportunities to build on existing good practices and explore improvements to the provision of support services for clients in winter programs, including through more consistency in case management and support services that aligns with the needs of clients, including a low-barrier service model.

Recommendation 5: City Council request the General Manager, Toronto Shelter and Support Services, to

- a. review costs related to the 2023/24 winter season as reported by third-party operators of Warming Centres and Winter Respite Sites, including requesting further information and supporting records, where necessary; and
- b. expedite the finalization of costs and recover any surplus funds paid to the operators related to the 2023/24 winter season.

Management Response: ☒ Agree ☐ Disagree

Comments/Action Plan/Time Frame:

TSSS has completed the reconciliation and cost recovery process related to the 2023/2024 Winter Service Plan.

(As indicated in recommendations 6, 7, and 9, TSSS will strengthen the reconciliation and cost recovery process.)

Recommendation 6: City Council request the General Manager, Toronto Shelter and Support Services, to establish and implement procedures and guidelines to review the reasonableness and appropriateness of reported costs and obtain documented explanations of budget-to-actual variances that are supported by source documents provided by operators. Reconciliations should be reviewed and approved by management, as appropriate.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: By Q3 2025, TSSS will develop standard procedures (with timelines) to review, reconcile, and document the reasonableness of reported costs of third-party operators.

Recommendation 7: City Council request the General Manager, Toronto Shelter and Support Services (TSSS), to enforce contractual requirements for third-party operators of Warming Centres and Winter Respite Sites to provide, on an annual basis, an audited financial statement and reconciliation report with respect to the services provided by the Service Provider pursuant to their agreements with the City, where TSSS needs to obtain a higher level of assurance from third-party operators of the accuracy and validity of reported costs by program / site.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: By Q4 2025, TSSS will strengthen process and reporting controls to obtain information to facilitate a timely financial review of all services provided by third-party operators (to include, on an annual basis, audited financial statements).

Recommendation 8: City Council request the General Manager, Toronto Shelter and Support Services (TSSS), to implement processes requiring third-party operators of Warming Centre and Winter Respite Sites to obtain pre-approval, in writing, for any significant changes that may have an impact on operations and/or costs before the changes are implemented, as well as, for any reallocation or redeployment of funding or resources designated for the operation of Warming Centres and Winter Respite Sites to other programs. TSSS should consider whether any changes are needed to the purchase of service agreements with its third-party operators to reflect these requirements.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will review existing Service Agreements (updating as required) and communicate processes to third-party operators of Warming Centres and 24-Hour Winter Respite Sites regarding obtaining pre-approval for any material impacts (i.e., before changes are implemented or for any reallocation or redeployment of funding or resources designated for this program). This work will be completed by Q4 2025.

Recommendation 9: City Council request the General Manager, Toronto Shelter and Support Services, to make sure staff have sufficient financial knowledge and/or training to analyze and review the operating budget to ensure rates and assumptions are consistent and reasonable, as well as to ensure actual reported costs are accurate, valid, and appropriate.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will review roles and responsibilities, develop materials, which may include training or hiring of staff with financial knowledge (e.g., CPA designation), to strengthen the understanding of programs costs, reports commonly used by third-party operators, and identifying potential issues (by Q4 2025).

Recommendation 10: City Council request the General Manager, Toronto Shelter and Support Services (TSSS), to establish procedures, guidelines, benchmarks for rates or ratios for key cost categories, and/or criteria to ensure that when TSSS staff develop and review program and site-specific budgets, that they:

- a. determine what rates are considered reasonable for different cost categories;
- b. identify and follow-up on inconsistencies;
- c. request and review source documentation (e.g. third-party operators' agreements with their vendors) or additional information to corroborate explanations; and
- d. identify opportunities to reduce costs and stretch funding further to serve more clients, when possible.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will develop a methodology to produce a range for key costs categories (e.g., salaries and benefits, security, food, etc.) and include analysis and evaluation based on total combined cost, and consideration for potential exceptions when outside the range in a key cost category or for total cost (and any additional documentation required to do so). As part of producing a range for key costs categories, TSSS will include a process step to identify opportunities to reduce costs. This work will be completed by Q2 2025.

Recommendation 11: City Council request the General Manager, Toronto Shelter and Support Services, in consultation with the Purchasing and Materials Management Division, to review its catering contracts for opportunities to obtain better pricing and further savings including the potential for:

- a. leveraging economies of scale to provide catering services to multiple shelter locations and programs; and
- b. scaling and cooperative purchasing with other City program areas, like Long-Term Care Homes and Children's Services, who also require meal services.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will collaborate with the Purchasing and Materials Management Division (PMMD) to review current food related contracts to identify opportunities to reduce overall cost, including the potential to obtain further savings through collaboration with Senior Services and Long-Term Care or Children's Services. This work will be completed by Q3 2025.

Recommendation 12: City Council request the General Manager, Toronto Shelter and Support Services, to review the practice applied to deactivating and closing Warming Centres (including how sites are prioritized for deactivation and closure) taking into consideration the client experience, cost structure, and potential opportunities to stretch existing funds further and potentially provide more beds.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will review deactivation strategies for improvement in cost efficiency and maximizing resource allocation. TSSS will communicate any updated procedures and practices to operators (by Q1 2026).

Recommendation 13: City Council request the General Manager, Toronto Shelter and Support Services, to ensure that, going forward for winter 2025/26 and beyond, all Purchase of Service agreements with third-party operators for Warming Centres and Winter Respite programs are executed before sites begin operation.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: By Q4 2025, TSSS will develop procedures to have, as a standard, Service Agreements finalized before sites begin operations (i.e., prior to providing service to clients).

Recommendation 14: City Council request the General Manager, Toronto Shelter and Support Services, to strengthen the review and analysis of budget information submitted in response to the Requests for Expression of Interest and/or Requests for Proposals for Warming Centres, and other shelter programs, as appropriate.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: TSSS will review Request for Expressions of Interest (REOI), Request for Proposal (RFP) submission process for opportunities to strengthen analysis of budget information that is submitted (by Q4 2025).

Recommendation 15: City Council request the General Manager, Toronto Shelter and Support Services, to review the Auditor General's observations and recommendations to strengthen financial controls for applicability to the other shelter programs operated by third-party service providers, and implement the recommendations for those programs, as appropriate.

Management Response: <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
Comments/Action Plan/Time Frame: Throughout 2025, TSSS will review observations, recommendations made by the Auditor General for opportunities to strengthen financial controls to other shelter programs.

**AUDITOR
GENERAL**

TORONTO

