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City of Toronto Core Services Review

Standing Committee Summary

Economic Development

Economic Development Introduction

This section summarizes our findings for the programs under the Economic Development Standing Committee which include:

- Economic Development and Culture
- Toronto Employment and Social Services

Core Ranking

96% of the budget under the Economic Development Standing Committee is associated with mandatory services, specifically under Employment and Social Services. 4% of the budget is associated with traditional or other discretionary services

Service Levels

Almost all services are delivered at standard or slightly below standard service levels with the exception of Trade and Sector development which appears to deliver a higher than standard level of service.

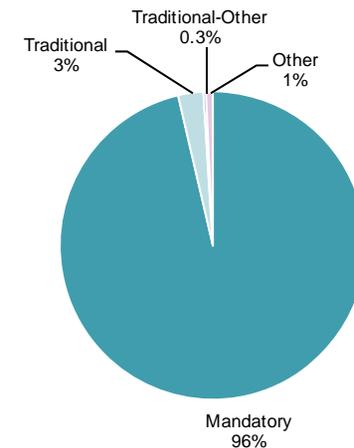


Figure 1: Core Ranking of Program Budgets (gross)

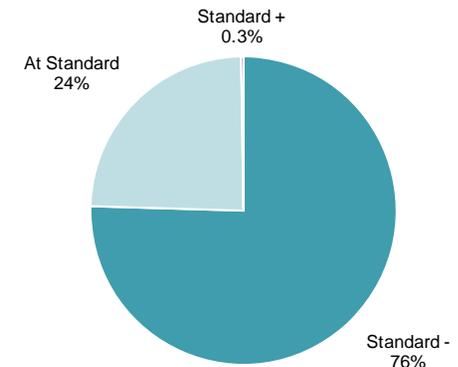


Figure 2: Service Level Ranking of Program Budgets (gross)

Economic Development Core Ranking

Strategic Option:

- None identified

Distribution of Program Cost (gross) by Core Ranking						
Program Name	Gross Budget (\$ m)	Mandatory	Essential	Traditional	Traditional – Other	Other
Economic Development and Culture	36.4	-	-	33.0	3.4	-
Toronto Employment and Social Services	1210.1	1201.3	-	-	-	8.8

Key Non Core Service Options

- Under Economic Development, Culture Services and Business Services should be considered as candidates for service reduction or elimination
- Under Employment and Social Services, Social Supports services should be considered as a candidate for service reduction or elimination

Economic Development Service Level

Alternate Service Delivery Option

- Consider adjusting the mix of contracted and directly delivered support for employment services.

Distribution of Program Cost (gross) by Service Level						
Program Name	Gross Budget (\$ m)	Below Standard	Standard -	At Standard	Standard +	Above Standard
Economic Development and Culture	36.4	-	-	33.2	3.2	-
Toronto Employment and Social Services	1210.1	-	940.6	269.5	-	-

Key Service Level Reduction Options

- Under Economic Development and Culture, the City should consider reducing support services to Business Improvement Areas (BIAs) or recovering the costs of support provided

Economic Development List of Opportunities 1/2

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget (\$ m)	Net Budget (\$ m)	Type	Description of Opportunity	Potential Savings*	Timeframe**	Risk and Implications	Barriers
<ul style="list-style-type: none"> Economic Development and Culture Business Services 	5.2	3.1	NCSR	Consider reducing or eliminating any or all of the activities in this program.	High (more than 20%)	2012	High	High
<ul style="list-style-type: none"> Economic Development and Culture Cultural Services 	23.7	17.3	NCSR	Consider reducing or eliminating any or all of the activities.	High (more than 20%)	2013	High	High
<ul style="list-style-type: none"> Economic Development and Culture Economic Competitiveness Trade and Sector Development 	4.9	3.9	NCSR	Consider moving Sectors and Trade Development activities to a regional agency.	Low (up to 5%)	2014	Low	High
<ul style="list-style-type: none"> Economic Development and Culture Economic Competitiveness Trade and Sector Development 	4.9	3.9	SLR	Consider reducing Sectors and Trade Development activities.	Medium (up to 20%)	2012	Medium	Medium

* Potential Savings are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.

** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Economic Development List of Opportunities 2/2

Related program / service / activity			Options and Opportunities					
Program Service Activity	Gross Budget (\$ m)	Net Budget (\$ m)	Type	Description of Opportunity	Potential Savings*	Timeframe**	Risk and Implications	Barriers
<ul style="list-style-type: none"> Economic Development and Culture Economic Competitiveness BIA Support 	1.9	1.3	SLR	Consider reducing staff support services to BIAs, or, recovering costs of support provided .	High (more than 20%)	2012	Low	Low
<ul style="list-style-type: none"> Toronto Employment and Social Services Employment Services 	124.8	43.6	ASDR	Consider adjusting the mix of contracted and directly delivered employment services.	Low (up to 5%)	2012	Low	Low
<ul style="list-style-type: none"> Toronto Employment and Social Services Social Supports 	8.8	1.5	NCSR	Consider reducing or eliminating this program .	High (more than 20%)	2012	High	Medium

* Potential Savings are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.

** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Service Profiles

Economic Development

The next section contains the service profiles that are under review by the Economic Development standing committee:

- *Economic Development and Culture (EDC)*
- *Toronto Employment and Social Services (TESS)*



Economic Development and Culture

Economic Development and Culture

Business Services

Standing Committee

Economic Development

Cluster

Cluster A

Program

Economic Development and Culture

Service Type

External Service Delivery

Service Budget (\$m)

Gross	\$5.1
Net	\$3.1

Rationale for Core and Service Level Assessment

These are optional programs provided by the City because the economic benefits (investments, jobs, assessment growth) are assumed to outweigh the costs. Entrepreneurship support also attracts support from the other levels of government.

Jurisdictional Examples

All major filming centres such as NYC, Montreal, LA, Vancouver, Chicago as well as Ottawa, Hamilton, Mississauga, do film permitting.

Business Retention and Expansion, and, Entrepreneurship support are offered by almost every significant municipality in Ontario and around the world.

Melbourne provides this service at the City level. Boston, Philadelphia and Barcelona provide this service through a City ABC. Montreal outsources the service.

		Below Standard	At Standard	Above Standard
Core	Mandatory			
	Essential			
Discretionary	Traditional		Business Retention and Expansion ●	
	Other		Entrepreneurship Support ○	Film and Digital Media Services ●

Key Opportunities

- All these services can be reduced or eliminated, however these steps will impact the Toronto economy.

Economic Development and Culture Business Services

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Business Retention and Expansion	1.73	1.73	100%	3	S	M/C	D	Includes these types of activities: <ul style="list-style-type: none"> Advice and consultation. Advocacy/Development review. Business Incentives. Coordination and Facilitation.
Entrepreneurship Support	2.14	0.19	9%	3.5	S	M/C/F	Mc/D/F	Includes these types of activities: <ul style="list-style-type: none"> Training. Advice and Consultation. Business Incubation Services. Networks and Partnerships. Training. Business Registrations.
Film and Digital Media Services	1.27	1.15	90%	3.5	S+	C	Mc/D	<ul style="list-style-type: none"> Permit turnaround time is better than standard.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
NCSR	Consider reducing or eliminating any or all of the activities in this program.	<p>These services help small businesses establish and grow, resulting in job and investment growth.</p> <ul style="list-style-type: none"> Business Registration services helps businesses establish and protect their names. Training supports 7000 entrepreneurs per year. Advice and Incubation helps entrepreneurs establish businesses. Networks and Partnerships levers private sector investment and helps newcomers establish businesses. Film supports vitality of film industry in Toronto. 	High (more than 20%)	2012	High

* Potential Savings are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.

** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

Economic Development and Culture

Cultural Services

Standing Committee

Economic Development

Cluster

Cluster A

Program

Economic Development and Culture

Service Type

External Service Delivery

Service Budget (\$m)

Gross	\$23.4
Net	\$17.3

Rationale for Core and Service Level Assessment

These are optional programs similar to those offered by most municipalities.

Jurisdictional Examples

OMBI report indicates that Toronto, Ottawa and Hamilton are the Ontario municipalities with largest investments supporting culture and arts.

The city reports that Toronto's spending on cultural services per capita is lower than other cities.

		Below Standard	At Standard	Above Standard
Core	Mandatory			
	Essential			
Discretionary	Traditional			
	Other			

Key Opportunities

- All these services can be reduced or eliminated, however these steps will impact the cultural vitality of Toronto.

Economic Development and Culture

Cultural Services

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Arts Programming	2.18	1.82	83%	3	S	C	Mc /D	Service types include: <ul style="list-style-type: none"> Art Education; Art Events (community organized); Art Exhibits (city-organized).
Cultural Development	6.47	4.61	71%	3	S	L/C	D/Mc	<ul style="list-style-type: none"> Archaeological Sites Act legislates standard for conservation of artifact collections to ensure state of good repair and at least 75% of City art collection made publically available. Service types include: <ul style="list-style-type: none"> Acquisition and conservation of art and artefact collections; Adaptive Reuse of Heritage Sites; Cultural Facilities Maintenance and Development. Grants Coordination, Research, Advocacy, Public Art Selection, Location and maintenance.
Events Programming	7.62	5.18	68%	3	S	C	D/Mc	Service types include: <ul style="list-style-type: none"> Community event coordination (3rd Party); Design and Delivery of Events.
Heritage Programming and Support	7.14	5.66	79%	3	S	C	D/Mc	Service types include: <ul style="list-style-type: none"> Museum and Heritage Programs.

Economic Development and Culture

Cultural Services

Options, Opportunities, Risks and Implications			Potential Savings *	Timeframe **	Barriers
Type	Options and Opportunities	Risks and Implications			
NCSR	Consider reducing or eliminating any or all of the activities.	These programs contribute to the cultural and heritage resources of the City, as well as the leisure options available to residents. Council recently unanimously endorsed principle of increased investment when the time is right.	High (more than 20%)	2013	High

* Potential Savings are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.

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Economic Development and Culture

Economic Competitiveness Services

Standing Committee

Economic Development

Cluster

Cluster A

Program

Economic Development and Culture

Service Type

External Service Delivery

Service Budget (\$m)

Gross	\$7.9
Net	\$5.9

Rationale for Core and Service Level Assessment

BIA Support is a facilitation which leverages significant private sector investment on public property and enhances the public realm. Most cities also conduct Research and Information on economic activities that contributes to planning and program development.

Sectors and Trade Development activities are discretionary economic development strategies that some but not all municipalities employ.

Jurisdictional Examples

New York City, Boston, Houston, LA, Washington, Montreal, Calgary and Vancouver all employ a sector based approach. BIAs were initiated in Toronto and have been copied in many large cities around the world.

	Below Standard	At Standard	Above Standard
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Key Opportunities

- All these services can be reduced or eliminated, however these steps will impact the Toronto economy.
- The support to BIAs could be modified by charging the costs back to BIAs and eliminating any support services BIAs do not value sufficiently to pay for.

Economic Development and Culture

Economic Competitiveness Services

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
BIA Support	1.87	1.33	71%	3	S+	C/L	Mp/F	<ul style="list-style-type: none"> Provides a vehicle for main street businesses to cooperate.
Research and Information on Toronto	2.77	1.88	68%	3	S	M/C/F	D	<ul style="list-style-type: none"> Citywide Economic Strategic Advice and Consultation. Consultations with visitors/public. Economic Bench Marking. Economic Overview. Intergovernmental Economic Project Support. Event Calendar Maintenance. Hospitality Excellence Program. Info Kiosks. Research Enquiries.
Sectors Development	2.69	2.09	78%	3	S	M	D	<ul style="list-style-type: none"> Business to Business collaboration. Economic Sectors', Advocacy and Promotion. Economic Sectors' Support.
Trade Development	0.54	0.54	100%	3	S	M	D	<ul style="list-style-type: none"> Business Matching and Assistance. City to City Alliances. Export Assistance and Facilitation.

Economic Development and Culture

Economic Competitiveness Services

Options, Opportunities, Risks and Implications			Potential Savings *	Timeframe **	Barriers
Type	Options and Opportunities	Risks and Implications			
SLR	Consider reducing Sectors and Trade Development activities.	This would reduce the impact the City has on growing the economy.	Medium (up to 20%)	2012	Medium
NCSR	Consider moving Sectors and Trade Development activities to a regional agency.	City of Toronto would lose some control over these services. Could potentially result in cost-savings.	Low (up to 5%)	2014	High
SLR	Consider reducing staff support services to BIA's, or, recovering costs of support provided.	BIA's may react negatively to elimination of services. Giving BIAs the opportunity to continue receiving services where economies of scale are relevant on a cost recovery basis could be a useful approach.	High (more than 20%)	2012	Low

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** Timeframe refers to first year in which savings could be realized. Full savings may take longer.

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Toronto Employment and Social Services

Toronto Employment and Social Services

Employment Services

Standing Committee

Economic Development

Cluster

Cluster A

Program

Toronto Employment and Social Services

Service Type

External Service Delivery

Service Budget (\$m)

Gross	\$124.8
Net	\$43.6

Rationale for Core and Service Level Assessment

Provision of Employment Services is required by provincial legislation.

All Employment Services are cost shared and provincially approved through the Service Plan submitted to the Province.

Jurisdictional Examples

Even though most cities provide this service at the City level, it is generally provincially funded.

In Philadelphia this service is provided by a private organization.

Employment assistance is generally a provincial responsibility and the province provides funding to support the delivery of these services.

Below Standard At Standard Above Standard

	Below Standard	At Standard	Above Standard
Core	Mandatory	Plan and Manage the City of Toronto's Employment Service System	Individualized Employment Case Management
	Essential	Manage City Employment Centers	
Discretionary	Traditional	Provide target training and skill development services through the Purchase of Employment Services and Contract Management	
	Other		

Key Opportunities

- There may be some savings available by adjusting the mix of in-house and contracted services.

Toronto Employment and Social Services

Employment Services

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Plan and Manage the City of Toronto's Employment Service System	24.8	6.0	24%	1	S-	L/F	D	<ul style="list-style-type: none"> City and Employment Service Plan still under development.
Provide target training and skill development services through the Purchase of Employment Services and Contract Management	20.0	2.9	15%	1	S	L/F	SM/M c/ F	<ul style="list-style-type: none"> Job Placement Services. Job Retention Services. Skill Training/Upgrading. Self-employment programs. Career Preparation.
Manage City Employment Centres	24.8	10.6	43%	1	S	L/F	D	<ul style="list-style-type: none"> Job search support and Career Planning. Referrals to employment programs, education, language, targeted training and accreditation services. Workshops/Job fairs. Job Retention (extend benefits). A City employment service plan is under development.
Provide Individualized Employment Case Management	56.9	24.1	42%	1	S	L/F	D	<ul style="list-style-type: none"> OW Recipients at employment centers.

Toronto Employment and Social Services

Employment Services

Options, Opportunities, Risks and Implications			Potential Savings *	Timeframe **	Barriers
Type	Options and Opportunities	Risks and Implications			
ASDR	Consider adjusting the mix of contracted and directly delivered employment services.	<p>Net cost appears lower for contracted services. TESS already reviews the mix of directly delivered and contracted employment services annually and makes adjustments based on labour market conditions and service needs.</p> <p>Contracted services are currently engaged on a multi-year basis through a comprehensive RFP process.</p> <p>The lower net costs are a direct result of cost sharing. Adjusting the mix of contracted services will in no way impact the cost sharing plan.</p>	Low (up to 5%)	2012	Low

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Toronto Employment and Social Services

Financial Assistance

Standing Committee

Economic Development

Cluster

Cluster A

Program

Toronto Employment and Social Services

Service Type

External Service Delivery

Service Budget (\$m)

Gross	\$1,074.8
Net	\$155.6

Rationale for Core and Service Level Assessment

Financial Assistance Services is required by provincial legislation.

Jurisdictional Examples

The OMBI report indicates that:

- Toronto has the highest level of social services cases among the OMBI Municipalities and the longest average time period on social assistance.
- Toronto has the lowest proportion of social assistance cases with employment income.
- Toronto is in the middle of OMBI municipalities in terms of administrative costs per case and is the lowest of the GTA municipalities.
- Toronto has the highest number of OW cases per FTE in the GTA and third highest in the province.

In most American Cities this is a state role, and in other Canadian provinces it is a provincial role.

	Below Standard	At Standard	Above Standard
Core	Mandatory		Provide Individualized Financial Assistance Eligibility and Case Management
	Essential		Deliver and Administer Employment Assistance Financial Benefits
Discretionary	Traditional		
	Other		

Key Opportunities

- No significant opportunities were identified.

Toronto Employment and Social Services

Financial Assistance

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Manage Eligibility Determination for Financial Assistance	41.5	13.7	33%	1	S	L / IS	D	<ul style="list-style-type: none"> Take more than 70,000 initial applications for assistance annually. Recent improvements in service level have achieved standard.
Provide Individualized Financial Assistance Eligibility and Case Management	61.7	29.9	48%	1	S	L	D	<ul style="list-style-type: none"> Manage ongoing eligibility and document service plans for all OW cases. Individual assessment and referrals to 160,000 cases.
Deliver and Administer Social Assistance Financial Benefits	915.8	101.7	11%	1	S-	L	D	<ul style="list-style-type: none"> Includes managing benefit disbursement, and ongoing eligibility assessment. Fraud detection, internal audits, and assistance obtaining child support.
Deliver and Administer Employment Assistance Financial Benefits	55.8	10.3	18%	1	S	L	D	<ul style="list-style-type: none"> Based on the individual employment plans and the needs of adult social assistance recipients.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings *	Timeframe **	Barriers
-	None identified.	-	-	-	

* Potential Savings are relative to the size of the corresponding program/service/activity the option/opportunity relates to, and may include increased revenues to produce lower tax requirements. Savings will accrue to utility rates rather than taxes where noted.

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Toronto Employment and Social Services

Social Supports

Standing Committee

Economic Development

Cluster

Cluster A

Program

Toronto Employment and Social Services

Service Type

External Service Delivery

Service Budget (\$m)

Gross	\$8.8
Net	\$1.5

Rationale for Core and Service Level Assessment

These services respond to community needs that the City has identified.

Jurisdictional Examples

Chicago and Barcelona provide this service at the City level.

Montreal and Boston provide this service at the City ABC level.

In Philadelphia this service is provided by a private organization.

Melbourne does not provide this service.

		Below Standard	At Standard	Above Standard
Core	Mandatory			
	Essential			
Discretionary	Traditional	Administer Funds to help Elderly and Disabled Torontonians Purchase Critical Medical Supplies		Administer Applications for a range of City Social Support Programs
	Other			

Key Opportunities

- These services can be reduced or eliminated, however each responds to specific community needs that would go unmet.
- The Welcome Policy is administered on behalf of Parks, Forestry and Recreation and the Christmas Bureau administers referrals on behalf of community agencies in Toronto.

Toronto Employment and Social Services

Social Supports

Activities								
Activity Name	Gross Cost (\$m)	Net (\$m)	% Net	Core Ranking	Service Level	Source of Standard	City Role	Notes
Administer Applications for a range of City Social Support Programs	7.6	0.5	7%	4	S	M / C	F/D	<ul style="list-style-type: none"> Welcome Policy Application Administration. Christmas Bureau Referral Administration. Kids @ Computers Scholarship Program (This program has no net impact on the City as it is fully provincially funded).
Administer Funds to help Elderly and Disabled Torontonians Purchase Critical Medical Supplies	1.2	1.0	83%	4	S	C	D	<ul style="list-style-type: none"> Current eligibility criteria ensure that this is a last resort benefit source for Toronto residents who do not have assets or income to obtain medically necessary items.

Options, Opportunities, Risks and Implications					
Type	Options and Opportunities	Risks and Implications	Potential Savings*	Timeframe**	Barriers
NCSR	Consider reducing or eliminating this program.	Low income families, elderly and disabled persons may be negatively impacted resulting in potentially serious health and medical issues. Toronto Employment and Social Services reports that it continues to look at other service areas such as the Hardship Fund to determine the potential for further savings or efficiencies.	High (more than 20%)	2012	Medium

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