



City of
Peterborough

To: Members of the Joint Services Steering Committee

From: Ken Doherty, Director of Community Services

Meeting Date: June 12, 2014

Subject: Report CSSSJSSC14-005
Ontario Works - Employment Services Update

Purpose

A report to provide an update on Ontario Works - Employment Services programs and recent Employment Ontario planning by the Ministry of Training Colleges and Universities.

Recommendation

That the Joint Services Steering Committee (JSSC) endorse the recommendation outlined in Report CSSSJSSC14-005 dated June 12, 2014, of the Director of Community Services, as follows:

That Report CSSSJSSC14-005, an update on Ontario Works (OW) - Employment Services be received for information.

Budget and Financial Implications

There are no additional budget or financial implications resulting from approval of the recommendation in this report in 2014.

Background

Peterborough Employment Resource Centre (PERC)

On June 13, 2013, the JSSC endorsed a Staff recommendation to close the PERC to the general public, while retaining legislatively required employment support services for Ontario Works participants in-house. The balance of information and Resource Centre services were transferred to Employment Ontario (EO) service providers in the community. The JSSC further recommended that an update report be provided in six months that includes the City and County's ability to service OW participants and a survey of the private sector's ability to service non-OW participants. These recommendations were in response to a 2012 Ministry of Training, Colleges and Universities (MTCU) decision to end funding across the province for stand-alone resource centres like PERC.

PERC was closed July 31, 2013, with staffing and program adjustments completed in August. A smaller scale resource centre re-opened September 3rd, 2013, to provide workshops and one-on-one supports related to job search.

Social Services Division staff have worked closely with the local Employment Ontario Network delivery sites, Employment Planning and Counselling Peterborough (EPC), Fleming College CREW (Community Resources for Employers and Workers) and Northern Lights Canada (NLC), to ensure a smooth transition of resource and information services in the City and County of Peterborough. The Division provided PERC outreach and resource centre statistics to support the planning of community services. EO providers operate main office locations within the City with access points in the County (Norwood, Havelock, Lakefield, and Millbrook) based on assigned service zones. When local residents contact Social Services staff for information regarding EO services, they are referred to the service location closest to their home.

The current Social Services resource centre has been relocated to the second floor of 178 Charlotte Street. It is typically assigned two staff to serve OW and Ontario Disability Support Program (ODSP) recipients participating in employment activities. As anticipated, since re-opening in September 2013, the average number of daily visitors has decreased by approximately 60% to 45 per day. The centre has recorded 7,512 total visits to May 2014.

All EO service providers have experienced increases in their resource centre visits. The increase has not been evenly distributed. EPC has seen the largest increase in daily traffic. To some extent, this required EPC to relocate to Sheridan Street from its previous location on Simcoe Street, to manage the higher volume of customers received. Data from the three EO provider locations shows that in the 12 months from April 1, 2013 to March 31, 2014 a combined 17,431 resource centre visits were recorded at these sites, while PERC saw 13,440, for a total of 30,871.

In 2011, the last full year of PERC operation under the MTCU contract, a combined 28,087 client visits were recorded in the Charlotte Street office and County outreach locations (Millbrook, Norwood, Havelock, Buckhorn, Ennismore, Douro, Keene. In this same year, the centre served approximately 114 visitors per day, 60% of which did not receive social assistance. Overall use of community resource centres is lower than in 2011 and in part, reflective of lower labour force participation rates with fewer residents actively job seeking.

Ontario Works – Employment Ontario Referral and Joint Case Management Pilot Project

In addition to resource centre service planning, recent work between the Social Services Division and Employment Ontario service providers has included a pilot project to improve labour market attachment for social assistance participants through improved screening, referrals and case collaboration. In a tight labour market even highly skilled participants with recent work history often need support to conduct an effective job search. It is essential to map out a detailed job search strategy that includes social capital development, networking and various online approaches as fewer jobs are advertised and increasingly, employers use techniques to screen out large numbers of resumes.

In 2012, an outline of the local Ontario Works - Employment Supports and Employment Ontario service integration pilot was developed with input from stakeholders in the area. This strategy focused on renewed employment service business processes geared toward early intervention and aligning participants with the right service at the right time. It was identified that better case collaboration between OW and EO staff would result in decreased duplication of services, appropriate use of government funds to support educational training and employment goals for clients, while improving labour market attachment.

The focus of this project was to screen and refer OW applicants who initially presented as job ready to EO sites, to increase the potential for an early return to work for those with the highest levels of employability. OW staff continued to focus time and resources on participants with more significant employment barriers. Through joint case collaboration and service planning, participants referred to EO sites benefited from the combined efforts of both service streams. Over a 12 month period ending in 2013, 249 participants were referred to EO sites and the following outcomes were recorded:

- 72% (188) of the 249 referred participants became employed, active in training or education (52% employed, 14% training, 6% education) in 14-16 weeks on average;
- 63% (156) were eligible for assisted services from EO providers;
- 13% (32) of referred participants were confirmed to be “job ready” with the right skills and knowledge to complete a self directed independent job search.

Resource centre and labour market information services were available to these individuals as well as financial supports from OW for job search purposes;

- 25% (61) of the 249 referrals were deemed not suitable for EO intervention and referred back to the OW office for additional assistance and further follow-up.

MTCU's goal for the 2013/14 business planning cycle was to increase OW participation levels to 31-40% of the assisted service population. Peterborough is currently assigned 2,100 annual units of assisted service between the three local EO providers. At the start of the pilot an average of 18.7% of the assisted service population was in receipt of OW. By the end of the pilot, local EO sites reported that an average of 22% of assisted service clients were receiving OW. MTCU provincial level data at the end of 2013 showed that 80% of all EO sites had less than 20% of OW participants in assisted services. Based on the findings of this pilot it is estimated that 10-12% of all OW cases are suitable for referral and should be connected with EO service sites. Continued service planning to achieve this goal would also achieve MTCU's target for this area, while supporting participants to the best possible outcomes.

The Social Services Division was asked to present the pilot project findings at a provincial forum hosted by the Ontario Municipal Social Service Association (OMSSA). The strategies developed through this project have been widely acknowledged as a best practice approach to local service integration. Going forward, work will continue to improve protocols to screen and refer OW clients to take advantage of the range of EO services available and increase collaborative approaches to case management as a continuum of supports, rather than an EO or OW only approach.

Mentorship Project

In March of 2013, the Martin Prosperity Institute at the University of Toronto's Rotman School of Management released a significant research paper documenting which specific occupations are employed in which specific industries in Peterborough and compared it with selected benchmark regions. Research found that Peterborough's manufacturing sector has a high percentage of creative class occupations which can be leveraged to spur economic growth and, its aging demographic is a resource which can drive economic development through knowledge transfer and mentorship of younger generations already living in the area.

With this in mind, the Social Services Division supported the Community Training and Development Centre's application for funding through the Social Enterprise Institute and the TD Bank to assist in the establishment of a mentoring network in Peterborough and Northumberland County. The funding will allow for the creation of a sustainable mentorship network that will align job seekers with mentors trained to provide financial literacy, job search support and professional networking assistance for unemployed or vulnerable populations. This initiative will assist Ontario Works participants to increase their social capital through structured networking activities aimed at accessing hidden job market opportunities. Once employed, participants will also have an improved

understanding of financial literacy to make better decisions regarding income planning. In a challenging labour market with fewer and fewer advertised jobs, the need for improved networking strategies has never been greater. OW clients, who have limited social connections outside immediate family and friends, are at a significant disadvantage in terms of accessing job opportunities. Research has demonstrated that increasing “casual” connections in the community leads to the best prospects for labour market attachment and career advancement.

Employment Outcomes

Despite these positive program developments, 2013 proved to be a challenging year for OW participants to find employment. The Social Services Division negotiates annual employment outcome performance targets with the Ministry of Community and Social Services (MCSS). The Employment Services funding model uses the previous year’s actual performance as a baseline, establishing targeted improvements based on those achievements. In 2013, the Division followed this process using the previous year’s actual performance and set modest improvement targets, anticipating that the Peterborough economy would see continued progress. This assumption did not hold true. It was widely reported in various media that the Peterborough Census Metropolitan area (CMA), for much of the first half of 2013, had one of the highest unemployment rates in Canada for cities with a population of 100,000 or more.

Consequently, the number of OW clients obtaining employment dropped year over year, as did related earnings and employment outcomes, leaving a shortfall in annual achievement. This shortfall will have to be made up in 2014 to avoid a claw back in provincial funding of up to 15% of the employment services envelope over a two year period. The maximum amount of claw back is \$654,380. Based on available employment outcome performance data to February 2014, no recovery is presently forecasted. Social Services Division staff is continuing to work with MCSS management staff to identify and implement program changes to improve outcomes and mitigate the risk of financial penalty.

The employment outcome funding formula is based on continuous improvement, increasing earnings and job growth. Service quality outcomes have never been incorporated within the funding formula. Some municipalities have suggested that now is an appropriate time to review the funding formula to consider a broader perspective of Ontario Works outcomes. It has been almost a decade since the current outcome funding model was first implemented. Economic conditions have declined significantly in Ontario. The resulting labour market shifts include:

- Longer term high unemployment, growing involuntary part-time, temporary and precarious employment;
- Stagnant income growth for the majority of Ontarians; and

- A declining manufacturing sector being replaced by lower paid service sector jobs, combined with uneven job creation across the province.

Recent Provincial Employment Service Developments

The Ontario government recently signed new labour market agreements with the federal government under the Canada-Ontario Labour Market Agreement (LMA), the Canada-Ontario Labour Market Development Agreement (LMDA) and Canada-Ontario Job Fund Agreement. The funding received complements provincial programs and services provided through EO. Under the new plan, the Province will be required to redirect funds to launch the Job Grant program in a phased approach, with \$29 million of the total agreement in 2014-2015 and up to \$115 million by 2019-2020. Social Service Division staff will continue to work closely with local EO sites to understand how changes to these agreements might impact available programs. A future report to JSSC and City Council will provide details concerning employment and training integration planning and any implications for local services.

Summary

As endorsed by the JSSC, PERC was closed to the general public on July 1, 2013. A smaller scale resource centre re-opened September 3rd, 2013, serving social assistance clients only. Since re-opening, the average number of daily visitors has decreased by approximately 60% to 45 per day as had been anticipated. Overall use of community resource centres is lower than in 2011, which was the last full year of PERC operation under MTCU contract.

The Social Services Division and EO service providers have improved screening, referrals and case collaboration resulting in better service integration which has lead to improved outcomes for social assistance participants. Despite positive program developments 2013 proved to be a challenging year for OW participants to find employment. Social Services Division staff continues to work with MCSS managers and EO providers to identify and implement program changes to improve participant outcomes.

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