



City of
Peterborough

To: Members of the Finance Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: November 23, 2020

Subject: Report CSSS20-015
KPMG Social Services Review Recommendations Update

Purpose

To provide Council with a status report on the implementation of the December 2019 KPMG Social Services Review Report recommendations.

Recommendation

That Council approve the recommendation outlined in Report CSSS20-015 dated November 23, 2020, of the Commissioner of Community Services as follows:

That Council receive Report CSSS20-015 for information.

Budget and Financial Implications

There are no immediate budget or financial implications associated with this report. Budget adjustments have been made to the City's draft 2021 Budget related to the activities noted.

Background

In December 2019, Council received Report CSD19-018, Social Services Division Review detailing the review of Social Services undertaken by KPMG. That report stated that staff would return with a progress update of recommended service level changes and process efficiency improvements. The scope of the KPMG review was to identify

potential cost reductions and operating efficiencies but did not consider customer impacts or public policy objectives.

The KPMG Report states that “while there are a number of positive aspects of the City’s delivery of social services, our review has identified a number of issues that constrain operating efficiencies and increase the amount of time required by staff to complete processes.”

This report provides information regarding the overall direction and implementation status of the recommendations.

Summary of KPMG recommendations

While Social Services programs are largely funded by the Province, Table 1 highlights the potential courses of action impacting the municipal tax levy noted in the Report and any changes made to date.

Service	Category	Potential City Levy Reduction	Potential County Levy Reduction	Changes to date
Services for low income families & children	Discretionary	\$117,599	\$24,087	\$59,499 decrease to City levy in 2021 budget
Closure of Directly operated Child Care Centres with spaces available for private sector operations	Discretionary	\$358,158	\$153,495	None made per Council direction
Discretionary Benefits	Service Level Exceedance	\$703,263	\$42,166	\$100,000 reduction in 2020 budget \$142,568 reduction in 2021 draft budget
Rent supplements	Service Level Exceedance	\$241,480	\$268,520	No change
All services	Efficiency Gains	\$150,000 (midpoint of range)	\$25,000 (midpoint of range)	\$21,440 levy impact with elimination of File Clerk
Total		\$1,570,500	\$513,268	\$323,507

Budget Changes

During the 2020 City budget process Council approved a \$100,000 reduction in Discretionary Benefits. Staff have continued to monitor Discretionary Benefit spending to ensure sufficient funds are available. Funds have been sufficient in 2020 although not an ideal year for comparison due to significant less benefits spending for clients during COVID-19 as many services such as dentists were not open.

KPMGs recommendation to eliminate the directly operated Child Care Centres was reviewed by Council and the decision was made to continue the direct operation of Child Care Centres.

During the 2021 budget process staff have recommended the following:

- \$71,686 reduction from the Services for Low Income Families and Children budget to partially meet increased expenditure requirements related to Provincial funding cuts in Children's Services Administration and the continued flat lining of Ontario Works (OW) administration from the Province at 2018 actuals.
- Further changes to the 2021 Discretionary Benefits budget which have resulted in a decrease of \$142,568 in Discretionary Benefits while further discussion across City programs is occurring. In order to achieve greater accountability, \$75,000 has been transferred to the Recreation Division to administer recreation subsidies for those on social assistance. Further recommendations will be presented to Council for the 2022 budget process as Discretionary Benefits changes involve budgetary implications in Social Services, Transit, and Recreation.

Social Services Restructuring Changes

While the recommendations were provided to Council in late 2019, planning was already underway to develop a new Service Delivery Model in Social Services to address the following Provincial changes:

Upcoming Ontario Works (OW) Administration Provincial funding reduction

- The reductions in OW are related to the loss of the employment services program which resulted in an annual reduction of \$1.6M in Provincial funding.

OW Service Delivery Model focus on Life Stabilization

- With this funding reduction comes the shift of the delivery responsibility of Ontario Works Employment Assistance OW to the Service System Manager (locally— Fleming College.) Social assistance programs under this new model will focus on supporting recipients with employment readiness and independence through Life Stabilization.

Life Stabilization programming is a fundamentally different approach to Social Assistance. It requires person-centered policies and active collaboration of front-line staff with clients and community programs. This can only be achieved by skilled

interveners, effective integration of services, and an in-depth knowledge of available resources.

Children's Services Administration Provincial funding reduction

- The Children's Services funding reduction is the result of Provincial changes to the administration cost shares over 2020, 2021 and 2022. They do not relate to any loss in programming or responsibility as expectations of Children's Service system development, program effectiveness and overall quality remain the same even though administration funding is being reduced.

During the redesign process staff considered ways to create a structure that supports fast-tracking KPMG business process recommendations as well as opportunities presented by:

Customer Service Integration (impact of Housing shift to Social Services)

- The integration of all human services programs (housing, child care, social assistance) within Social Services provides the opportunity to pool resources for the most efficient and effective delivery of services. The focus shifts to ensuring that individuals involved in administering and delivering a set of interdependent supports and services can meet the needs of each individual. Municipal Service Managers are well-positioned to identify the needs of their communities and shape local social service systems to meet those needs.

Historically Social Services have been delivered in relative isolation. As noted in the KPMG Report, the result can be administrative inefficiencies, uncoordinated service delivery, service duplication, and collections of services that do not meet the needs of individuals effectively.

With the merging of Housing Services into the Social Services Division and the urgency to address Provincial changes with a new Service Delivery Model, the development of an integrated service model from entry into services to the back-end administrative and financial work, resources were pooled across programs.

Aligning Structure with Vision

- The focus on a person-centered delivery approach allows for optimal service. While the focus in Social Services is always on the clients, the previous structure did not always mirror the client path. Planning for the new model considered a focus on the scope of positions, a right sizing of who does what while considering appropriate staff coverage and efficient cross-training.

Social Assistance Modernization

- The Province has been working toward a more modern, responsive, efficient, cost-effective, and sustainable service delivery system that is client-centred and supports integration across programs. The Division has been able to accelerate the pace of

implementation of provincial initiatives such as the digitization of OW client files, roll out of a client reloadable payment card, and online access to social assistance information through a client portal.

While planning was underway to develop the new Service Delivery Model that considered all the above, redesigned work units are better able to plan and implement strategies that further address business process improvements in 2020 and 2021.

The Division redesign places an increased focus on quality assurance and the development of a leadership group tasked with undertaking the implementation and continued movement toward the noted KPMG outcomes.

Table 2 illustrates the budget changes related to the service delivery redesign:

Table 2: Budget Changes with Service Delivery Redesign		
Program	Details	Financial Reduction
Ontario Works	Net Position Adjustments - 1 Manager - 2 Supervisors - 7 Employment Counsellors - 2 Program Payment Clerks - 1 File Clerk*	\$948,744
Ontario Works	Reduced expenses in Employment Supports and Training Programs	\$800,000
Children's Services	Net Position Adjustment - 1 Children's Services Case Manager	\$61,911
Children's Services	Cost shares through service integration	\$96,470
TOTAL FINANCIAL REDUCTION		\$1,907,125

Note: The File Clerk position was eliminated at the same time given the pending implementation of the Electronic Document Management initiative.

Implementation of KPMG Business Process Recommendations

As mentioned, the new Division structure positions the Division to make progress on the KPMG recommendations including the business process recommendations. Significant progress has been made in 2020 and further work will proceed in 2021. Details by recommendation are provided in Appendix A.

Summary

The Social Services Division continues to implement the recommendations from the KPMG Report in December 2019 through both the redesign of the overall Division and individual work processes. The current Division restructuring has been undertaken to specifically respond to recommendations in the KPMG report and further improvements will be made as the transition is made to this new Division structure.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

Contact Name:

Ellen Armstrong
Social Services Division Manager
Phone: 705-742-7777 Ext. 3770
Toll Free: 1-855-738-3755
Fax: 705-876-4610
E-Mail: earmstrong@peterborough.ca

Attachments:

Appendix A - Implementation of KPMG Business Process Recommendations