



City of
Peterborough

TO: Members of the Budget Committee

FROM: Sandra Clancy, Director of Corporate Services

MEETING DATE: November 28, 2011

SUBJECT: Report CPFS11-050
Beyond the Budget – Additional requests for 2012

PURPOSE

A Report to inform Council of the proposed staffing and discretionary benefit funeral rate increases originally presented to Joint Services Steering Committee on October 13, 2011 as Report CSSSJSSC11-006.

RECOMMENDATION

That Council approve the recommendation outlined in Report CPFS11-050, dated November 28, 2011, of the Director of Corporate Services as follows:

That Report CPFS11-050 dated November 28, 2011, Beyond the Budget – Additional requests for 2012, be received.

BUDGET AND FINANCIAL IMPLICATIONS

The budget and financial implications of the recommendation will ultimately depend on whether or not Council adopts some, or all of the recommendations in the report.

For recommendations a) and b), there would be no net tax levy impacts for the 2012 budgets for the City or County as the new staff can be funded from a \$130,676 draw from unspent incentive funding, and a matching \$130,676 draw from the Province. The

annualized impact beyond 2012 is \$130,676 adjusted for the impacts of any wage settlements.

The discretionary benefits recommendation c) would require adjustment to the Social Services 2012 draft budget to be presented to City Council and would require an additional \$621,685 increase in gross costs, which would be shared \$491,571 from the Province, \$112,031 from the City and \$18,083 from the County.

BACKGROUND

The report, attached as Appendix A, was presented to the Joint Services Steering Committee on October 13, 2011 as Report CSSSJSSC11-006. The committee referred this report to both City and County Councils for consideration in the 2012 budget process.

It would be appropriate for Council, when reviewing the 'Requests Not Included in the 2012 Draft Budget', which are presented on pages 151-154 of the 2012 Budget Highlights book, to consider the additional requests.

Submitted by,

Sandra Clancy
Director of Corporate Services

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Attachments:

Appendix A: Report CSSSJSSC11-006
Beyond the Budget – Additional requests for 2012

APPENDIX A



City of
Peterborough

TO: Members of the Joint Services Steering Committee

FROM: Ken Doherty, Director of Community Services

MEETING DATE: October 13, 2011

SUBJECT: Report CSSSJSSC11-006
Beyond the Budget – Additional requests for 2012

PURPOSE

A report to provide information, as requested by the Joint Services Steering Committee (JSSC) about social services staffing levels, and funeral rates, and to recommend the committee forward requests for staffing and discretionary benefit increases to both Councils for consideration during their respective 2012 budget deliberations.

RECOMMENDATIONS

That the JSSC endorse the recommendations outlined in Report CSSSJSSC11-006 dated October 13, 2011, of the Director of Community Services, as follows:

That the report be received and the following recommendations be endorsed by the JSSC and forwarded for consideration during the respective Councils' 2012 budget processes.

- a) That the Temporary Supervisor Position be converted to Permanent;
- b) That four additional positions be approved, two as temporary and two as permanent, funded by provincial subsidy and incentive funding; and
- c) That the Discretionary Benefit budget be increased to meet the anticipated demands of implementing the existing policy.

BUDGET AND FINANCIAL IMPLICATIONS

There would be no net tax levy impacts for the 2012 budgets for the City or County if the JSSC endorses and both Councils ultimately adopt recommendations (a) and (b) as the new staff can be funded from a \$130,676 draw from unspent incentive funding, and a matching \$130,676 draw from the Province.

The discretionary benefits recommendations would require adjustment to the Social Services 2012 draft budget to be presented to City Council and would require an additional \$621,685 (gross) cost shared \$491,571 provincially, \$112,031 from the City and \$18,083 from the county.

The draft 2012 Social Services Budget presented to the October 13, 2011 JSSC does not reflect any of the recommendations and the items would have to be added to the Social Services budget during 2012 Budget discussions.

BACKGROUND

At the JSSC meeting on April 14, 2011, the following motion was approved:

That as part of the 2012 Social Services budget deliberation, that the issue of staffing levels as it relates to meeting statutory requirements be undertaken and reported to the Joint Services Steering Committee.

At the same meeting, the committee also requested that staff be directed to provide additional information related to the funeral services report.

The “Beyond the Budget” report, attached as Appendix A, responds to JSSC request for information and provides additional contextual data.

Staff completed a review of other municipal practices and staffing levels, both inside and outside of the corporation. The service requirements for the City and County of Peterborough were analyzed, for the current timeframe and the anticipated demands in 2012. Costs of delivering components of service were assessed, including the cost of supporting a client to employment, the cost of administering a case and the cost of benefits. Delivery options were explored, predominantly options that could address emerging needs such as serving youth and focusing on employment. The process also included a literature review to ensure that national and international practices related to supervisor and leadership were considered.

Based on this analysis, staff developed recommendations relating to staffing and discretionary benefits.

Staffing Recommendations

The staffing recommendations provide resources required to move towards legislative compliance with no additional cost to the municipal tax levy. There are sufficient funds in the CVP incentive funding to support these staff positions for the next three years. The analysis indicates that eight staff would be needed to meet all the legislative requirements but, given anticipated changes in caseload growth, possible business process changes and competing priorities, only four positions (two temporary and two permanent) are requested at this time. Staffing requirements will be reviewed on an annual basis to determine if the service demand continues based on caseload volume, technological changes and business processes. If service demand diminishes, staffing will be adjusted accordingly. The specific positions that would be implemented as soon as possible in 2012 should approval be received are outlined below in numbers 1 through 5.

1. **Temporary supervisor to be converted to permanent** to maintain an appropriate span of control within the Division.
2. **Temporary Case Manager (Floater):** One additional staff person to provide OW case management and employment supports to ensure Ontario Works delivery occurs within legislated time frames and performance outcomes.
3. **Temporary Youth Case Manager:** One additional staff to deal with increasing caseload in the age range between 16 and 24 with a focus on improved educational and employment outcomes.
4. **Permanent County Outreach Case Manager:** One additional staff due to increased OW caseload in the County over the last three years to provide outreach visits in clients homes or at other suitable public locations. The additional staff will also pilot the concept of a "generic case manager" who delivers OW, employment counselling and children services case management functions for the clients.
5. **Permanent Employment Counselor:** Additional staff to ensure access to timely employment counselling and reviews of participation agreements within legislative time lines.

Discretionary Benefits Recommendations

The discretionary benefits recommendations represent no service increase to individuals but do require additional funding. In 2009, the discretionary benefit budget was not increased to match caseload growth and the budget was short over \$200,000. The shortfall was transferred from reserves to continue to deliver the same level of service as outlined in the policy. In 2010, again, the budget did not increase to meet the

increasing caseload and the shortfall was \$512,000. The short fall was accommodated within surplus mandatory benefits, again to maintain the existing level of service.

6. To continue to meet the existing discretionary benefits policy demands for the forecasted caseload an **increase in the discretionary benefits** budget of \$491,685 (gross) consisting of \$407,115 provincially, \$75,140 City and \$9,430 from the County is needed.
7. **Funeral rates:** An additional \$130,000 is also being requested to negotiate funeral cost increases. The existing rates have not been changed in 13 years.

The costs associated with the above recommendations are summarized in the following table.

Table 1 - Additional Cost for Beyond the Budget Recommendations

	Gross budget for 2012	Provincial share	Unspent incentive funding (CVP)	City	County
Staffing Recommendations					
1. Temp supervisor to perm ¹	\$0	\$0	\$0	\$0	\$0
2. Temp Case Manager Floater	\$66,230	\$33,115	\$33,115	\$0	\$0
3. Temp Case Manager Youth	\$66,230	\$33,115	\$33,115	\$0	\$0
4. Perm Case Manager County	\$66,230	\$33,115	\$33,115	\$0	\$0
5. Perm Employment Counsellor	\$62,661	\$31,331	\$31,331	\$0	\$0
Staffing total	\$261,351	\$130,676	\$130,676	\$0	\$0
Discretionary Benefits Recommendations					
6. Discretionary benefits budget to meet existing policy	\$491,685	\$407,115	\$0	\$75,140	\$9,430
7. Funeral rate increase	\$130,000	\$84,456	\$0	\$36,891	\$8,653
Discretionary benefits totals	\$621,685	\$491,571	\$0	\$112,031	\$18,083
Totals	\$1,144,387	\$752,923	\$261,352	\$112,031	\$18,083

Recommendations not included in 2012 Draft Social Services Budget

¹ In proposed 2012 budget as a temporary position

Draft 2012 Social Services Budget does not reflect recommendations of this report.

At its meeting held June 27, 2011 City Council adopted a number of 2012 Budget Guidelines including:

That the 2012 Draft Budget include no new full-time staff positions unless the position is required to deliver new services that are mandated by legislation or it can be clearly demonstrated through a business plan that the position can generate sufficient revenues or cost reductions to cover its salary and benefits.

And

That staff prepare a 2012 Draft Operating Budget that reflects an All-Inclusive (Combined municipal, education and sewer surcharge) percentage increase for a property in the residential class of no more than 2.5%.

Accordingly, the draft 2012 Social Services Budget that is being presented to JSSC on October 13, 2011 does not include any of the staff requests proposed in recommendations (a) and (b).

And the additional Discretionary Benefit as requested in recommendation (c) has also not been included in the draft 2012 budget, as it was viewed as a discretionary enhancement that could not be accommodated within the 2.5% all inclusive tax and sewer increase stipulated by Council.

All of the recommendations in this report, however, have been identified in the 2012 City Budget documents as a “requested but not included item” in the draft budget.

If the JSSC endorses the recommendation in this report, City Council will be made aware of the endorsement during the 2012 Budget discussions and will ultimately decide which, if any, of the items should be added to the 2012 budget.

SUMMARY

Over the past several years, caseloads have risen significantly and staffing levels have remained fairly static. Reallocation of resources has been done as much as possible but the workload is exceeding the capacity of the current staff level. Staff reviewed the specific legislative requirements for Ontario Works and the ability for the existing staff complement to deliver on these requirements and is making recommendations to add four staff to come closer to these requirements. With the change in the OW Administrative funding formula, there is now provincial subsidy available to assist with

the cost of these staff positions. The municipal share of the staff costs are proposed to be taken from an Incentive Fund reserve so as to have no impact on the tax levy. As well as staff pressures, the caseload increases have resulted in additional pressure on Discretionary Benefits. Because of budget process in past years when no volume increase was allowed, there is a gap between budgeted amount and the need, and an increase in this budget is also requested.

Submitted by,

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Attachment: Appendix A - Beyond the Budget 2012

Beyond the Budget

2012

A review of best practices, performance data and literature related to budget considerations for the City and County of Peterborough

**Social
Services
Division**

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Introduction

This report was initiated in response to the Joint Services Steering Committee's request for additional information related to the staffing levels required to meet statutory requirements and information about discretionary benefits funeral rates. Both requests have been incorporated within this document in addition to contextual information related to caseloads, administrative costs, benefits, division challenges and recommendations. The recommendations have been developed in keeping with the principles of human services integration and the division's key strategic directions.

The Ontario Works caseload has increased by 27% or 780 cases between 2007 and 2010. Over the same time period one employment counsellor and a temporary supervisor were added to the existing social assistance staff complement which is now 101.676 full time equivalents. The increasing service demand has been managed by allocating internal resources but there have been impacts on the quality of service, legislative compliance and quality control. For the past few years, the provincial government has provided some relief to the increasing service demands by temporarily relaxing some legislative requirements. In addition the province is uploading social assistance benefits and employment costs as well as redesigning the administration funding subsidy, providing relief to the municipal bottom line. All Ontario Works administrative costs are now equally cost shared with the province and there is an additional \$3,290,000 of gross funding that has 50% provincial cost share available.

The continued increase in service demand combined with reducing municipal costs, because of upload, and a beneficial change in the administrative funding formula, provides a unique opportunity to review our communities' needs, service data and best practices. A focus on human services integration also supports streamlined, efficient and effective service. This report is centered on social assistance, specifically the Ontario Works program, because this is the area where new provincial subsidy is available. This report assesses the need for social assistance services in the community, our ability to deliver on the legislative requirements of the programs and some options to address identified gaps.

The province is also reviewing the social assistance programs with an even greater focus on employment strategies, streamlined processes and a new accountability framework. Continued strategic review of our internal programs will support the division to achieve both provincial and municipal priorities. Given the potential for upcoming change, some of the recommendations are temporary in nature pending the results of provincial and internal reviews.

Based on the assessment of the division the following staffing and benefit changes are recommended:

1. **Temporary supervisor to be converted to permanent** to maintain an appropriate span of control within the division.
2. **Temporary Case Manager (Floater):** One additional staff person to provide OW case management and employment supports to ensure Ontario Works delivery occurs within legislated time frames and performance outcomes.
3. **Temporary Youth Case Manager:** One additional staff to deal with increasing caseload in the age range between 16 and 24 with a focus on improved educational and employment outcomes.
4. **Permanent County Outreach Case Manager:** One additional staff due to increased OW caseload in the County over the last three years to provide outreach visits in clients homes or at other suitable public locations. The additional staff will also pilot the concept of a "generic case manager" who delivers OW, employment counselling and children services case management functions for the clients.
5. **Permanent Employment Counsellor:** Additional staff support to ensure access to timely employment counselling and reviews of participation agreements within legislative time lines.

If all staffing recommendations are approved the gross costs will be \$261,350 with 50% paid by the province and the balance drawn from prior years unspent incentive funding. There is enough money available to fund these positions for 3 years. The recommendation will have no impact of the tax levy in 2012. There will remain \$3,028,650 of unused gross OW administrative funding, of which 50% is available from the province.

In addition to the staffing changes, to continue to meet the existing discretionary benefits policy demands for the forecasted caseload an **increase in discretionary benefits** by \$491,685 (cost shared \$407,115 provincially, \$75,140 City and \$9,430 County) is needed. Caseloads have increased dramatically over the last few years and the discretionary benefits budget has not kept pace with caseload growth. An additional \$130,000 is also being requested to negotiate funeral cost increases. The existing rates have not been changed in 13 years. The funeral rate increase may cost the County up to \$8,653 and the City up to \$36,891 with the balance being paid by the province.

How many people are on assistance?

In March 2011, 11,493 people in the City and County of Peterborough needed social assistance to meet their basic needs – one of every 11 residents is relying on social assistance for food and shelter. Poverty impacts certain groups more than others. Children, aboriginal residents, people with disabilities and new Canadians are impacted more than other residents¹. The following table illustrates the social assistance requirements in the City and County of Peterborough.

Social Assistance Caseload² in Peterborough March 2011

(Source: Social Assistance Quarterly March 2011 Ontario Works Branch MCSS)

	Ontario Disability Support Program		Ontario Works		Total	
	Cases	Individuals	Cases	Individuals	Cases	Individuals
Total	3942	5364	3597	6130	7,539	11,493

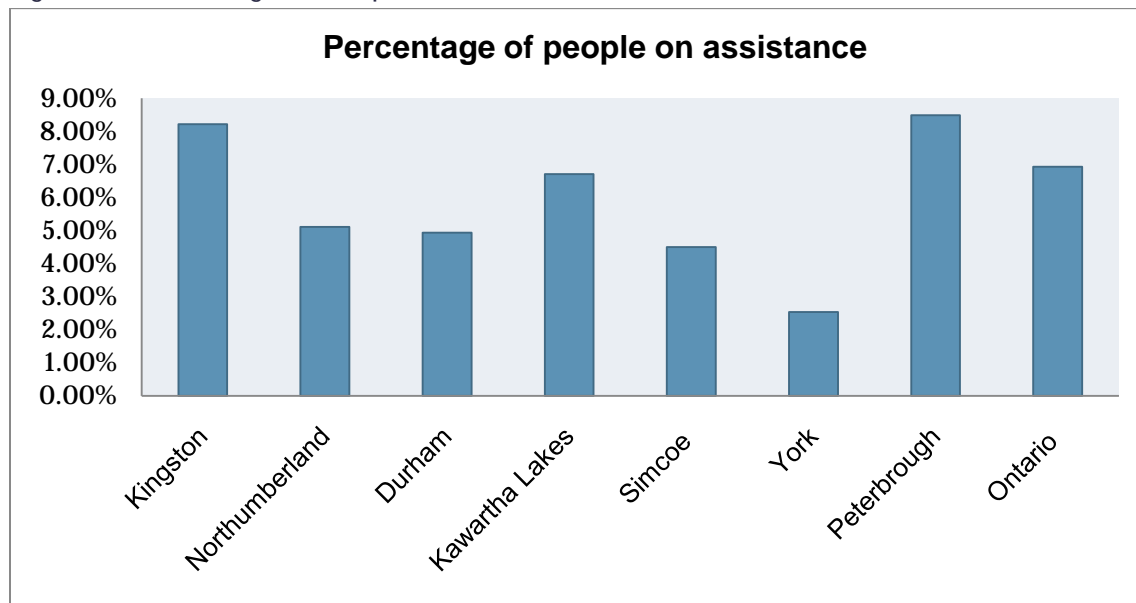
Peterborough has a higher percentage of people on assistance than other municipalities in this region. For the purposes of this comparison, the total number of beneficiaries on ODSP and OW in December 2010 is compared to the 2006 census population³. The following chart shows that 8.5% of the residents of Peterborough rely on social assistance compared to an average 6.9% across the province.

1 Laurie, Nathan "The Cost of Poverty" November 2008. Ontario Association of Food Banks

2 There are two main sources of caseload data with slightly different levels of detail and definition of caseload. In Ontario Works Branch reports a case refers to a single individual or a family unit on social assistance (e.g., a family on social assistance is counted as one case.) and details can be broken down to include individuals on assistance but cannot be broken down by city or county. The local definition of caseload includes the number of cases that received a payment in a given month and can be broken down by city and county but cannot provide detailed information at the individual level,

3 Given the differential growth in population across the province over the last five years, using the 2006 population may skew the results slightly. Peterborough has a lower growth rate than other areas of the province and therefore the percentage of residents relying on social assistance may be slightly overstated for Peterborough.

Figure 1 -Percentage of People on Assistance



Higher caseloads require increased resources to provide client service and manage legislative requirements. By placing the right resources at the right time, the goal of the division to reduce the need for social assistance can be achieved.

The Ontario Works caseloads in both the City and the County have not grown as much as anticipated in 2011. Though the unemployment rate remains at around 11% the economy is recovering and the caseload is not continuing to grow at the same rate as estimated. The Policy, Research and Analysis Branch of MCSS states that this recession was unique, because it combined a both financial crisis and an economic down turn at the same time and on a global scale. Policy levels have stimulated the economy resulting in a steeper recovery but manufacturing jobs have been replaced with service sector employment⁴. The recovery has occurred faster than anticipated and therefore caseloads did not increase as much as anticipated this year.

Current trends indicate that caseloads growth may flatten for 2012. The draft 2012 budget forecasts a zero percent caseload growth which though reasonable, will pose some risk for the municipality. In the City a 1% caseload increase costs just over

4 *"The Economy and its impact of Social Assistance Programs"* Policy Research and Analysis Branch MCSS, November 25, 2010

\$260,000 (gross) per year or \$44,700 municipally. The following charts illustrate the City actual caseload for 2010 and 2011 compared to the proposed 2012 budget forecast.

Figure 2 - City Caseload

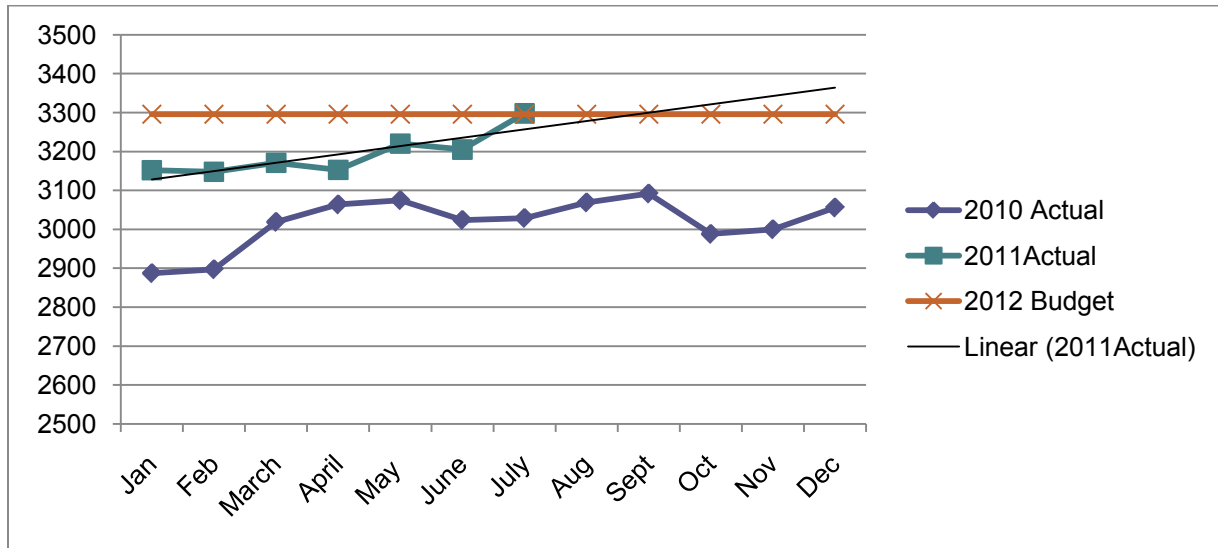
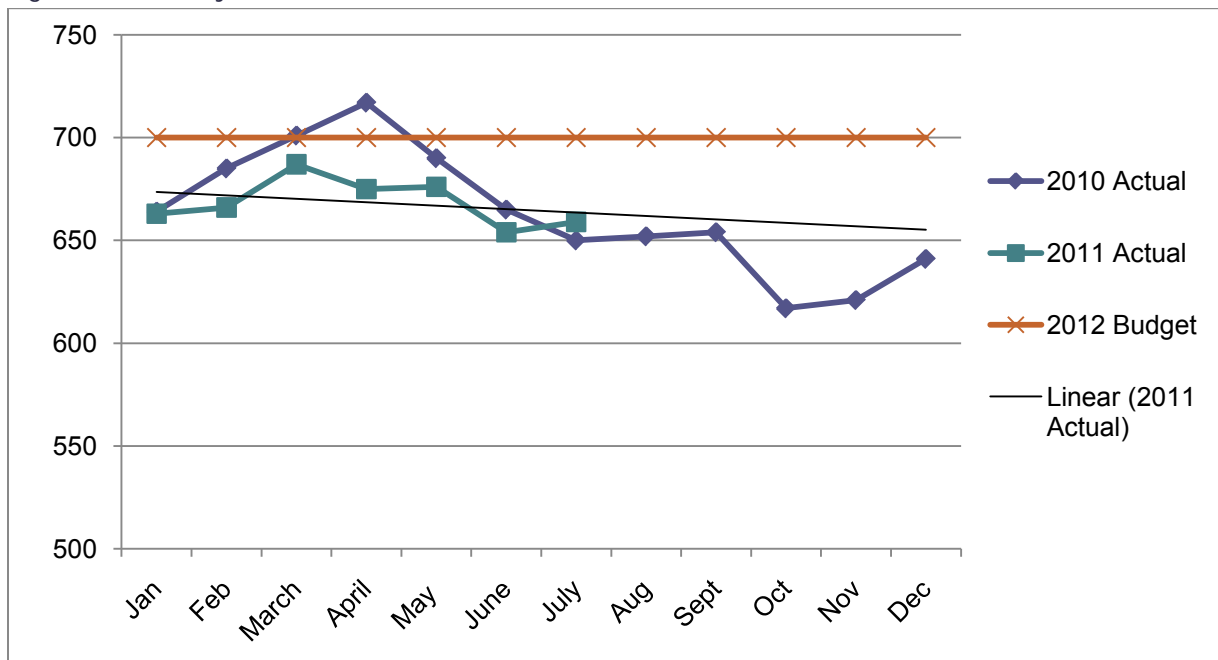


Figure 3 - County Caseload



In the county a 1% caseload increase costs just under \$56,000 (gross) per year or \$9,600 municipally.

Caseload size and the percentage of the population are some of indicators of poverty in the community but they do not tell the whole story. There are many people in Peterborough who live on low incomes but not on social assistance. These people are often struggling to meet their basic needs and are only one pay cheque or an unexpected expense away from being eligible for social assistance. Peterborough has historically had a high percentage of households below the low income cut off (LICO). Based on the last census 12.8% of households were below the LICO (before tax) compared to a provincial average of 9.5%.






Housing is another good indicator of need in the community. The social housing wait list has remained consistent at just over 1500 households waiting for social housing at any given time, over the last 5 years. People are on this wait list because over half of the renters in Peterborough are spending more than 50% of their income on shelter.

The after effects of the recession can also be seen by the increase in demand for financial counselling services at Community Counselling and Resource Centre. This service has increased by 13% over the previous year and served 841 people last year.

Living on Ontario Works

People living on Ontario Works benefits receive a monthly cheque dependant on their family size, shelter costs and monthly income. Many people living on Ontario Works have a job but are not making enough money to make ends meet. In 2010, 521 people per month on OW had jobs (over 15% of the caseload) and on average they earned \$735/ month⁵. Fifty percent of this earned income is deducted from their social assistance entitlement.

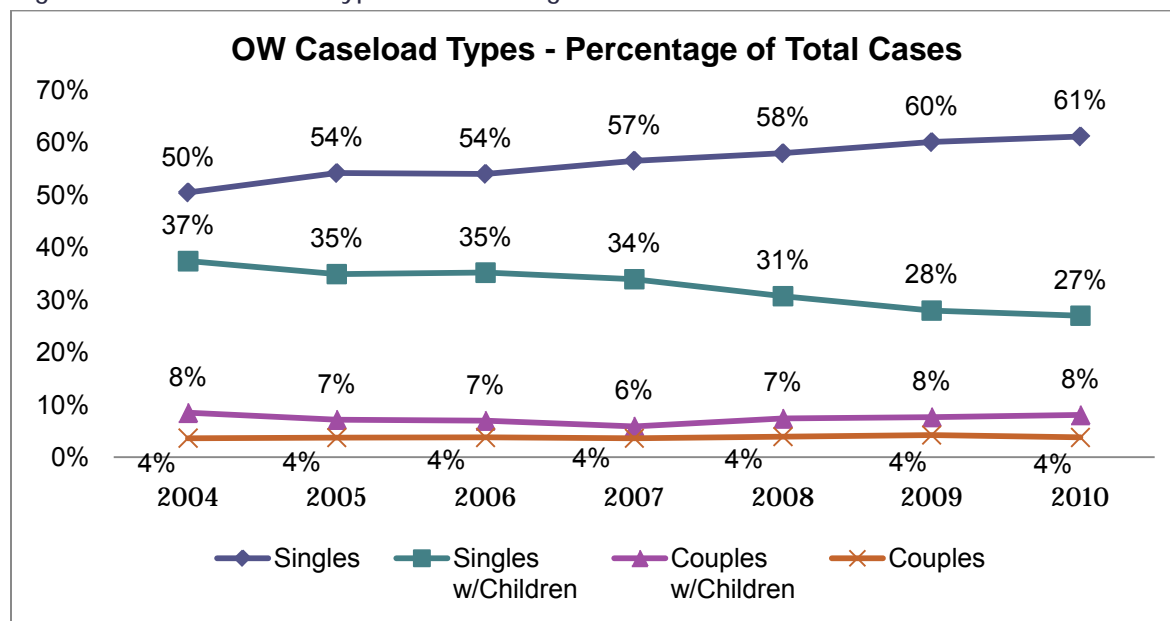
Figure 4 - Maximum Ontario Works Entitlement

	Family Unit	Maximum Ontario Works Monthly Rates eff Dec 2010
	Single Adult	\$592
	Sole Parent, 1 Child (under 6)	\$922
	Sole Parent, 2 Children (1 under 6)	\$971
	Couple No children	\$1021
	Couple, (1 Child under 6)	\$1070

⁵ Source: 2010 MCSS Employment Outcomes Data Report Measure 1A

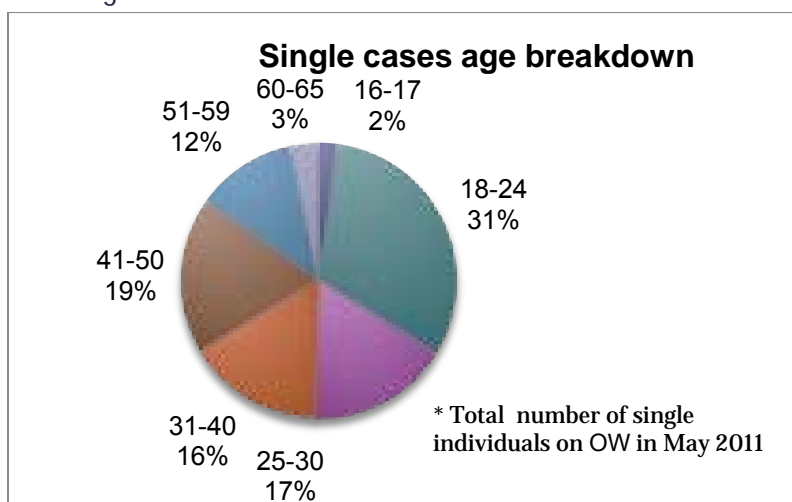
Changes in the economy and social assistance rules have changed the composition of the Ontario Works caseload. Provincial strategies aimed at reducing child poverty have provided greater tax based support for children and moved many children off the social assistance rolls. The following chart illustrating the dramatic drop in single parents on assistance but a corresponding increase in singles individual cases.

Figure 5 - OW Caseload Types - Percentage of Total Cases



The single individuals on Ontario Works are younger than the general population. An analysis of the caseload shows that 50% of the caseload is under the age of 30.

Figure 6 - Single Cases Age Breakdown



Discretionary Benefits

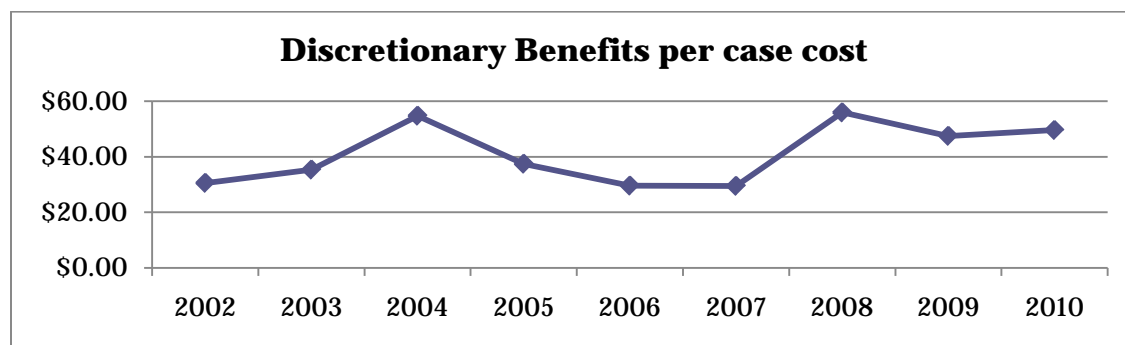
Beyond the mandatory benefits on social assistance, Peterborough residents may be entitled to discretionary benefits. This benefits policy is established locally within the restrictions of provincial regulations and directives. Discretionary benefits includes services such as dental and vision care for adults, dentures, funeral, some transportation cost and hearing aids.

Historically, discretionary benefits have been cost shared 80% provincially and 20% municipally. This benefit is part of the social assistance costs being uploaded to the province and will be a 100% provincial payment by 2018. Appendix A provides an outline of the anticipated changes in provincial/ municipal cost share over the next 7 years. Currently the municipal council has a key role in shaping the discretionary benefit policy. As these costs are uploaded to the province, there is a risk that the province will want the program to be consistent and there may be less flexibility to address local needs as there will be no municipal cost sharing.

In 2012 an increase is requested in the discretionary benefits budget to meet the existing financial demand given the current policy. The gross cost of the requested increase is \$491,685 and the province will cost share discretionary benefits, contributing \$407,115 with the City and County contributing \$75,140 and \$9,430 respectively. An additional \$130,000 is also being requested to negotiate funeral cost increases. The existing rates have not been changed in 13 years. The funeral rate increase may cost the County up to \$8,653 and the City up to \$36,891 with the balance being paid by the province.

The following chart illustrates the cost per case for discretionary benefits over the last 8 years. Costs were high in 2004 due to the flood and costs rose in 2008 due to a Council approved service enhancement.

Figure 7 – Discretionary Benefits Per Case Cost



The Cost of Getting a Job

Employment helps to lift people out of poverty. The Social Service Division focus is on supporting people to find and keep stable employment. Despite the recent recession, over the last 5 years 9,197 people on OW have found jobs. In addition, the earnings deducted from social assistance payments average over \$191,000 per month.

Year	2003	2004	2005	2006	2007	2008	2009	2010
Number of jobs	1175	1517	1604	1658	2077	2063	1617	1782

There is a cost associated with helping people find jobs. OW supports people to find jobs with individual employment counselling, skills based training, and financial benefits such as bus passes, clothes for interviews and some certification and licensing fees. On average in 2010, it cost only \$992 in additional financial benefits and \$1,100 in staff supports per job secured. These costs increased significantly since 2008 when the recession began. There are fewer jobs available and more competition. More training, supports and time are required to help a person secure employment and less people are successful in securing employment. For comparison, in 2008 it cost \$585 in additional financial benefits and \$931 in people supports per job secured.

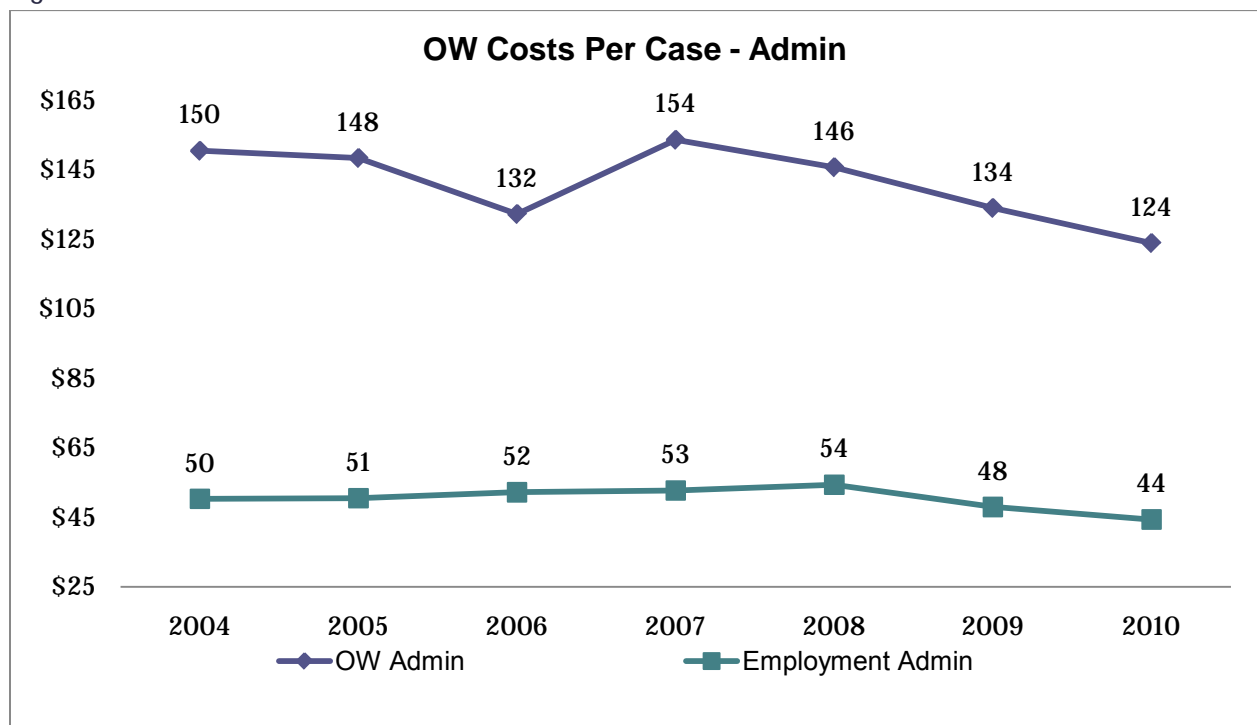
The cost of getting a job should be compared to the total cost of a case on social assistance. In 2010 the cost of administration and benefits per case was \$926 per month. Most importantly, a job helps alleviate the cost of poverty borne by families in receipt of social assistance, but it also reduces the demand on social assistance benefits reducing the costs borne by all tax payers.

The Cost of Ontario Works

The costs of Ontario Works benefits are regulated by the province and are being gradually uploaded to the province. The current provincial commitments are to fully upload the cost of social assistance benefits by 2018. The municipalities continue to share in the costs for administration and employment supports and therefore the focus for the analysis of Ontario Works costs rests in areas where the municipality can make a difference and will be impacted by change.

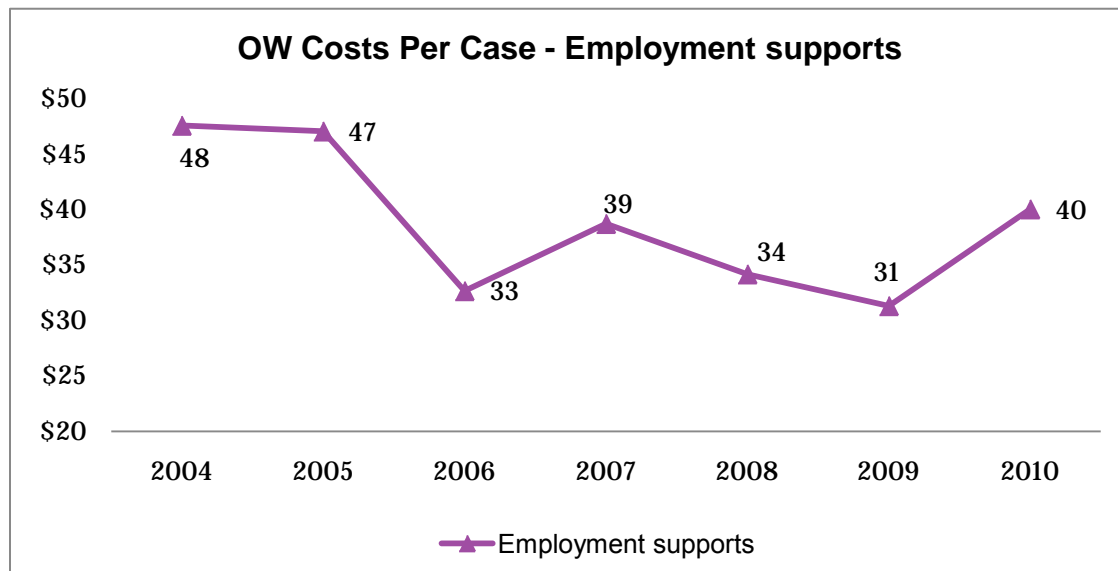
The cost per case of administration for the Ontario Works program has declined steadily since 2003 with the exception of a dramatic dip in 2006 following the closure of the Intake Screening Unit. The employment administration costs per case have remained relatively stable because the total funding envelope from the province has remained essentially the same for 7 years. The recent increase in caseload has resulted in a slight decline in the employment cost of administration on a case by case basis.

Figure 8 - OW Costs Per Case - Admin



The costs for employment supports include items such as bus passes, interview clothes and books, deposits for training programs, employment assessments, and minor certifications. The variation on cost per case funding in this area is largely dependent on additional provincial funding. When additional funding is available it is directed to the employment supports whenever possible rather than to administration. In 2004 and 2005 additional 100% funding was available as well as in 2007 and 2010.

Figure 9 - OW Costs Per Case - Employment Supports

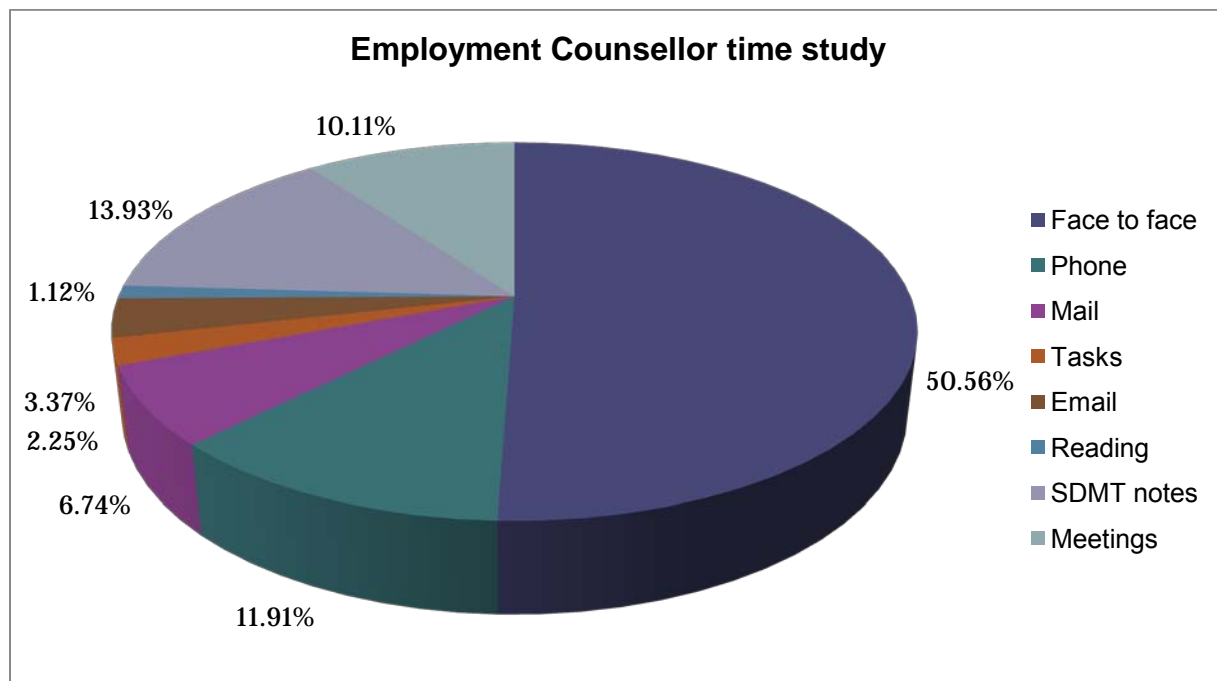


Determining the Number of Staff Required

Staffing costs represented 78% of the Ontario Works administrative budget and 83 % of the Employment administrative budget in 2010. The day to day activities of each staff are costly but critical to the success of our clients. To further understand the staffing requirement and the day to day activities of key front line staff a time study was conducted with case managers and employment counsellors. This time study serves as base data to calculate the number of staff required to meet the legislative requirements for employment planning.

Employment counsellors provide support to approximately half of the social assistance clients through individualized employment planning. Fifty percent of their day is spent meeting with clients and an additional 12% of the day is spent talking to clients on the phone.

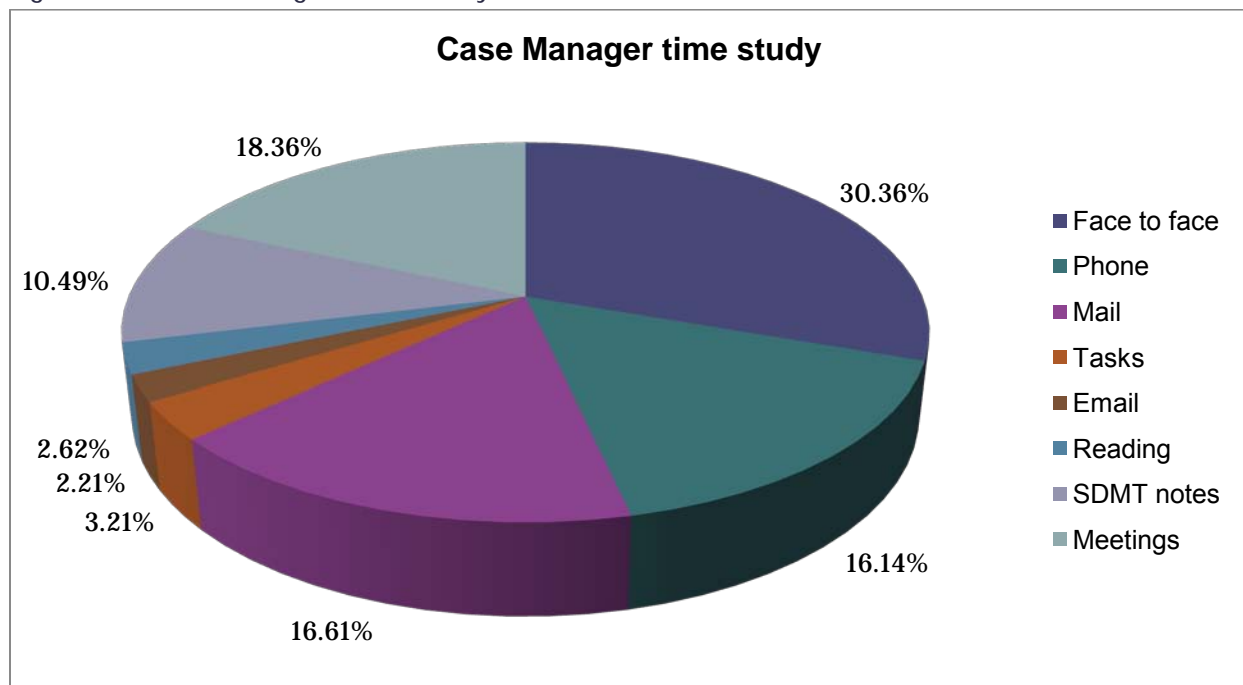
Figure 10 - Employment Counsellor Time Study



Case managers support all Ontario works clients with financial assistance as well as providing employment planning for approximately half of their clients. Specialized employment support from employment counsellors is reserved for those clients with mid level employment needs. If a client has very few employment barriers they will be able to get a job on their own with minimal employment supports; if they have some employment barriers they are best served by an employment counsellor; and, if they have many personal challenges, case managers provide pre employment supports. In May 2011 55% of clients were not yet job ready, 28% were minimally job ready and 17% were job ready.

Case managers complete applications for Ontario Works and manage the ongoing administration of the case. They spend less time with clients face to face due to the additional administration required related to processing eligibility for payments. Case managers spend approximately 30% of their day with client and an additional 16% of the day talking to clients on the phone and 16% processing mail. Many processes in Ontario Works still rely on traditional hard copy mail services though that is beginning to change with online applications.

Figure 11 - Case Manager Time Study



The data gathered from the time studies with case managers and employment counsellors helped to determine what could be accomplished in a day, given the current processes and technology. Business processes and technology are changing at both the local level and across the province. In 2009 the Division shifted from program based teams to an integrated team structure. In 2010, reviews of some local business process related to family support and eligibility review were completed resulting in the realignment of one position to case management. Reviews of intensive case management processes are underway. The province is also undertaking an examination of the entire social assistance system with one of the outcomes to make the system easier to understand and administer. On the technology side, local scheduling systems are being updated and provincially the main social assistance database will be replaced in 2013. The division is seeking further enhancements in accountability, efficiency and effectiveness where possible.

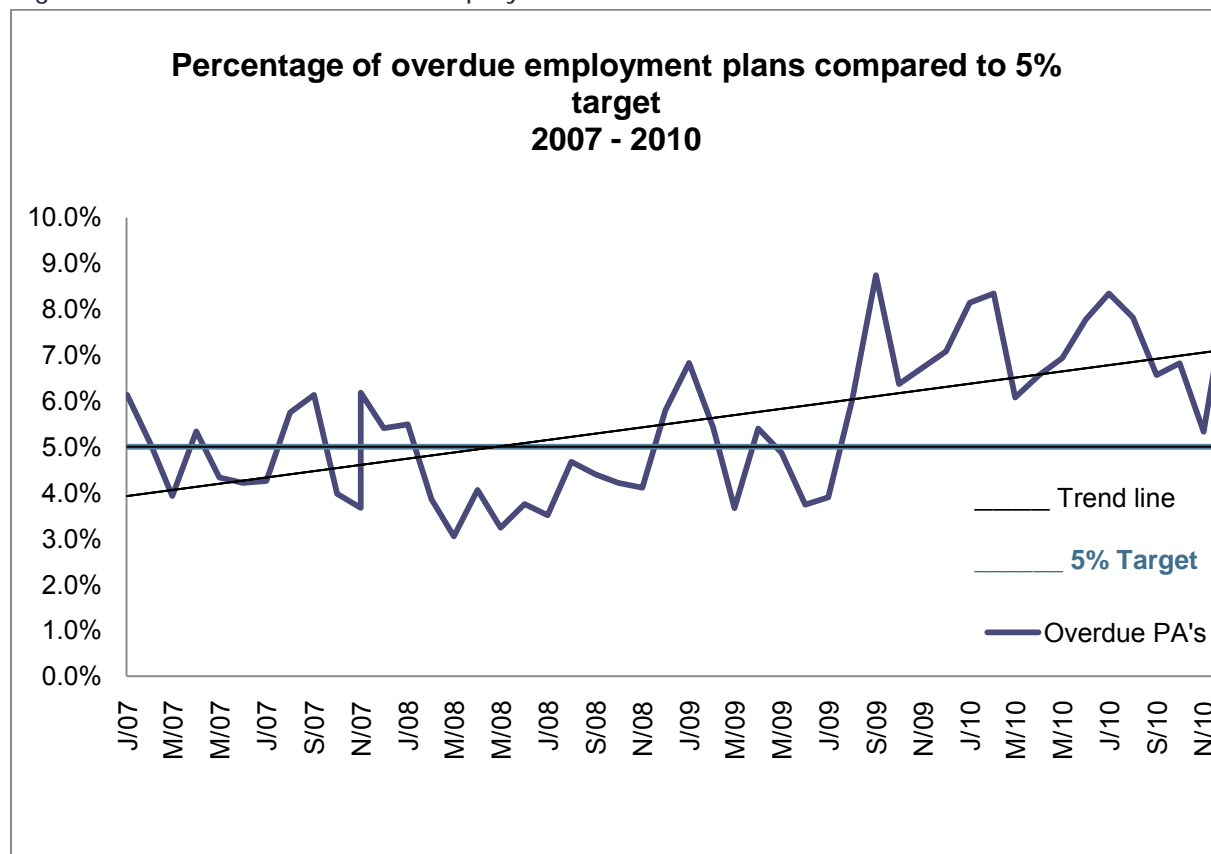
The time study helped identify the current composition of a work day but unfortunately staff is not present at work every day. Sick time in the Social Services Division at 12 days per staff is slightly higher than the corporate average of 10 days per staff. This is not uncommon given the fast paced, high volume, people oriented nature of the work in the division. Across Canada, in 2010 the average days lost for public administration staff is 11.8 days/ year and the days lost for health and social assistance staff is 13.4 days/year⁶. To minimize lost time the division has increased monitoring and also promotes the employment assistance program and other activities related to the physical and emotional well being of the staff. Despite the proactive measures taken to support staff to stay or return to the workforce, sometimes they must take time off work to get well.

A decline in the division's ability to meet the legislative compliance requirements related to completion of employment plans is a consequence of the increased caseloads and service demand, combined with minimal staffing increase. Absences from work also impact client service as there is no backfill process for short term sick leave (less than 17 weeks). Work is rescheduled and reassigned to other staff with already full schedules. Absenteeism has a significant impact on client service and legislative compliance.

6 Source: Statistics Canada: Days lost per worker by industry and sex
<http://www40.statcan.ca/l01/cst01/labor61a-eng.htm>

It is generally acceptable to have 5% of the cases with employment plans overdue for a variety of reasons. The following chart reflects the percentage of cases with overdue employment plans and the target of 5% has not been achieved since early 2009.

Figure 12 - Percent of Overdue Employment Plans 2007-2010



Many steps have been taken to streamline service and others are underway to increase efficiency and effectiveness, it is important that the division continue to meet the current legislative requirements. The province requires that applications for assistance are completed within 4 business days and that employment plans are updated every 3 months for those seeking employment and up to every 6 months for those who are temporarily unable to look for work. Based on these requirements, knowing how long it takes to complete the tasks and understanding the composition of front line staff provides the information required to calculate staffing needs.

To meet the legislative requirements in May 2011, the Social Services Division is required to:

- Provide ongoing case management for 3896 families on assistance
- Complete 365 applications for assistance
- Update approximately 1448 employment plans

Based on the current composition of a work day, provincial requirements, current vacation and sick time, 35 case managers and 19 employment counsellors (total 54 staff) is required to provide this level of service. Currently there are 32 case managers and 14 employment counsellors (total 46 staff) resulting in a shortfall of 8 staff to meet the demand as it existed in May 2011.

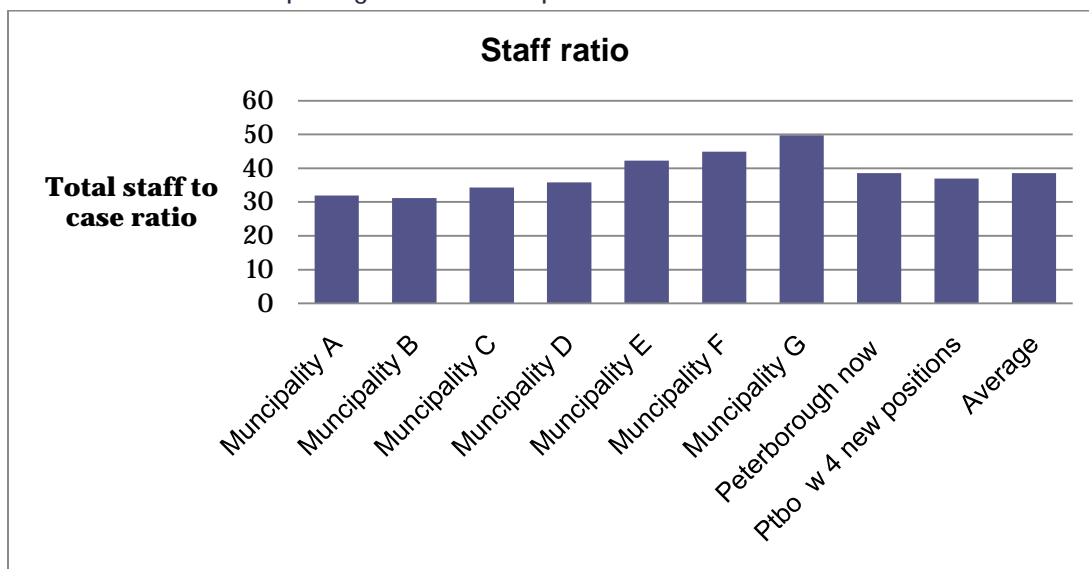
The full calculation is available in Appendix B.

	CW	EC	Total
Staff required	35.03	19.06	54.09
Current staffing	32.0	14.0	46.0
Difference	3	5	8

Comparing Staffing to other Municipalities

Similar and nearby CMSMs were selected to compare staffing ratios to caseload. To minimize the impact of the different service delivery models, the staffing ratio comparison takes into consideration all staff funded under OW (including the division managers, financial and administrative staff etc) compared to the OW caseload⁷. The following chart illustrates the relative staff to case ratio. Specific municipalities are not named at their request.

Figure 13 – Staff Ratio Comparing other Municipalities



The two bars for Peterborough represent Peterborough with the staffing as it exists now and the second bar represents the staffing ratio in Peterborough for 2012 if 4 new positions are approved and the caseload remains at December 2010 levels. The change in staff to caseload ratio is negligible and remains very close to the average among the 8 municipalities sampled.

Though comparing total OW funded staff positions to caseload minimizes the impacts of the differences at the income / employment interface – it highlights other differences among municipalities. Some municipalities contract out more services than others,

⁷ Includes all staff funded under OW Admin and Employment funding (2010) compared to the December 2010 OW caseload as reported in the OW Branch “CMSM At a Glance”

which can increase the caseload to staff ratio. Other municipalities may have more corporate admin transfers and therefore less staff in the FTE count also increasing the caseload ratios.

Service delivery models vary among municipalities. In Peterborough some services such as self employment and specialized skills training are contracted out. Some services are delivered in house such as employment counselling. Some Ontario Works legislative requirements are met in partnership with others levels of government and funders such as the Peterborough Employment Resource Centre funded by MTCU. Partnerships with not for profit and private sector agencies are critical to the successful delivery of employment services across the community. This mixed delivery model allows us to continually review and shift resources to ensure that the best solutions are realized to deliver effective, efficient and accountable service.

The choice of delivery models does impact the staffing ratio. Though this measure may not reflect the exact same work in each municipality –it is an indicator that Peterborough is in the “middle” as it relates to staffing ratios.

Supervising the staff

One temporary supervisor was added to the staffing complement in 2011. The additional supervisor was added to support the recently established cross functional team model, rework, maintain and to monitor new business processes due to implementation of the new model. The integration of the team, simplify the system for the clients but make the supervisory role more complicated. The additional supervisor also supports the increased demand for staff involvement in community planning of poverty reduction strategies, as well as improving customer service and human service integration.

A literature review of best practices and studies related to supervision and span of control has been completed. A brief overview of the studies can be found in Appendix B. Most of the benefits of increasing the span of control relate to the reduction on the layers of management. Benefits include improving communication, decision making and accountability. The Social Services Division has already removed one layer of management when the structure changed to integrated teams in 2009. Some of the risks of flattening an organization come from the increased supervisor to staff ratio. Insufficient supervision can lead to performance errors, poor accountability and declining morale. Increased workload among supervisors and managers can also lead to errors. It is important to balance the opportunities for improvement with the risks to the organization.

The span of control within the Social Services division was compared to other divisions within the City of Peterborough. The ratio of staff to non union staff is also compared.

Figure 14 - Corporate Span of control

Division	FTE	Non Union	FTE/ Non Union ratio	# of supervisors	Span of Control Ratio
Corp Serv - Finance	28.15	13.55	2.08	8	3.52
Corp Serv - Clerk	6.77	3.20	2.12	3	2.26
Corp Serv - HR	9.25	9.25	1.00	3	3.08
Planning	40.90	6.50	6.29	7	5.84
USD Public Works Division	131.99	7.50	17.60	17	7.76
USD Transportation Division	115.99	8.30	13.97	11.63	9.97
CS - Arenas Division	53.59	4.00	13.40	7	7.66
CS - Social Services	127.96	7.50	17.06	15	8.53

The span of control within the Social Services division was also compared over time.

Figure 15 – Social Services Span of Control

Year	FTE	# of supervisors	Span of Control Ratio
Social Services 2010	128.18	15	8.55
Social Services 2009	127.68	16	7.98
Social Services 2008	129.15	17	7.60
Social Services 2007	128.66	18	7.15
Social Services 2006	126.60	17	7.45

Over the last 5 years the Social Services division has moved to a wider span of control, following the general trend towards flatter organizations. The span of control has increased by 13% over the last 5 years. This leads to the staff recommendation that the 8th temporary supervisor be converted to a permanent position. The proposed 2012 organization charts which do not include the recommended staff additions are provided as Appendix D – Social Services Organizational Charts.

Service Delivery options

The analysis of the personnel needs to meet the legislative requirements of the Ontario Works program indicates that 8 additional staff is needed to meet the existing demands. In addition, reviews of the required timelines for employment plans show that staff is unable to maintain provincial requirements. These program demands need to be considered within changing environment of new technology and revised business process which may find further efficiencies. Other municipal financial pressures must also be considered. Though the province is offering additional 50% cost shared funding for these positions, the municipality must still pay 50% of the expenses. To balance the legislative requirements and the other competing municipal demands it is recommended that only 4 positions be added at this time with further review in a year. To offset the impact of the new position to the tax payer, it is possible to pay for these positions from incentive funding earned through successful outcome performance in the Consolidated Verification Process resulting in no increased impact to the tax levy in 2012.

Three of the additional staff will be deployed to meet growing demand for services in specific areas: youth, county, and job development and coaching. These roles will follow an intensive case management approach, which has demonstrated success both locally and in other organizations and sectors. The fourth additional staff would be a “floater” case manager to provide backfill for absent staff to ensure that legislatively required processes are completed in a timely manner.

Intensive case management

Intensive case management refers to the practice of providing clients with enhanced service, by lowering the client to staff ratio for a defined length of time in a prescribed program. This approach is currently utilized in Peterborough for the Learning Earning and Parenting program (LEAP), Student Earn and Learn (SEL), Addiction Services and the Homeless sector. These client groups face many barriers but the average length of time that clients from these intensively case managed programs spend on assistance is much lower than the overall average. For example, the average length of time on assistance across the entire office is 23.5 months; however, young single parents at school and engaged in the LEAP program have an average length of time on assistance at 16.5 months. Other young students who are not parents, but are also part of an intensively managed caseload average 9.4 months on assistance. More data related to the various intensively case managed caseloads in the City and the

County and the average length of time on assistance for each caseload can be found in Appendix E.

It is reasonable to expect that intensive case management can reduce the length of time a family or individual are reliant on assistance by 4 months. If the length of time on assistance is reduced by 4 months at a cost of \$926/month for 25 cases per year, the total saving would be \$92,600. This offsets the cost of the additional staff by over \$25,000 per caseload. Supporting individuals to independence from social assistance also reduces the depths of poverty and increases the economic spending in the community and these indirect, but perhaps more important benefits are not included in the mathematical calculation.

Summary

Process

Staff reviewed the legislative requirements for Ontario Works and the ability for the existing staff complement to deliver on these requirements. Time studies have been completed for the two largest staff roles, case manager and employment counsellors. The service requirements in the community and the volume of people in need have been studied. Costs of delivering the service and the cost of getting a job have been documented and assessed. Services and staffing in the division have been compared to other municipalities, other divisions and even to our own division over time. This process has led the division to the following recommendations.

Recommendations

Based on the assessment of the division the following staffing and benefit changes are recommended:

1. **Temporary supervisor to be converted to permanent** to maintain an appropriate span of control within the division
2. **Temporary Case Manager (Floater):** One additional staff person to provide OW case management and employment supports to ensure Ontario Works delivery occurs within legislated time frames and performance outcomes.
3. **Temporary Youth Case Manager:** One additional staff to deal with increasing caseload in the age range between 16 and 24 with a focus on improved educational and employment outcomes.
4. **Permanent County Outreach Case Manager:** One additional staff due to increased OW caseload in the County over the last three years to provide outreach visits in clients' homes or at other suitable public locations. The additional staff will also pilot the concept of a "generic case manager" who delivers OW, employment counselling and children services case management functions for the clients.
5. **Permanent Employment Counsellor:** Additional staff supports to ensure access to timely employment counselling and reviews of participation agreements within legislative time lines.

If all staffing recommendations are approved the gross costs will be \$261,350 with 50% paid by the province and the balance drawn from prior years unspent incentive funding.

There is enough money available to fund these positions for 3.0 years. The recommendation will have no impact of the tax levy in 2012. There will remain \$3,028,650 of unused gross OW administrative funding, of which 50% is available from the province.

In addition to the staffing changes, to continue to meet the existing discretionary benefits policy demands for the forecasted caseload an **increase in discretionary benefits** by \$491,685 (cost shared \$407,115 provincially, \$75,140 City and \$9,430 County) is needed. Caseloads have increased dramatically over the last few years and the discretionary benefits budget has not kept pace with caseload growth. An additional \$130,000 is also being requested to negotiate funeral cost increases. The existing rates have not been changed in 13 years. The funeral rate increase may cost the County up to \$8,653 and the City up to \$36,891 with the balance being paid by the province.

Appendix A: OW Cost Share and Provincial Upload

Ontario Works Cost Share

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Municipal Share	19.4%	18.8%	17.2%	14.2%	11.4%	8.6%	5.8%	2.8%	0%
Provincial Share	80.6%	81.2%	82.8%	85.8%	88.6%	91.4%	94.2%	97.2%	100%

Appendix B Staff needed to meet legislative requirements

Minimum legislatively required face time

Participation agreements (PAs) and Applications according to the Ontario Works Act and Regulations)

***doesn't take into consideration specialized follow up**

EC= employment counsellor

CW= case worker

Assumptions				Time in Minutes
Application (face time and follow up included)				120
PA includes Employment readiness Scale and average rebooking time				60

Volume of face time work	
Caseload	3896
Applications	365
Mandatory Participants	4172
All Participants	4518
Total monthly PAs req'd	1448
PAs completed by CW	681
PAs completed by EC	768

caseload less 150 ASI	3746
divided by all CW	117
excluding intensive CW	127

ODSP discretionary caseload	49
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Appendix B continued

Face time required	
Applications	43800
PAs completed by CW	40843
PAs completed by EC	46057
Total EC (minutes)	46057
Total EC(hours)	768
Total CW (minutes)	84643
Total CW (hours)	1411

Lost time calculated as
sick at 12 days (4.6%)
and vacation at 8.3%
(21.5 days)

Caseworker			Employment counsellor		
Face time	84643	30.36%	Face time	46057	50.56%
Phone	45544	16.14%	Phone	18285	11.91%
Mail	46859	16.61%	Mail	10350	6.74%
Tasks	9043	3.21%	Tasks	3450	2.25%
Email	6248	2.21%	Email	5175	3.37%
Reading	7399	2.62%	Reading	1725	1.12%
SDMT notes	29595	10.49%	SDMT notes	21390	13.93%
Meetings	51792	18.36%	Meetings	15525	10.11%
Total	282143		Total	153523	

	CW	EC
Staff required	31.03	16.88
Add vacation 21.5 days and sick 8 days	35.03	19.06
Current staffing	32	14
Difference	3.03	5.06

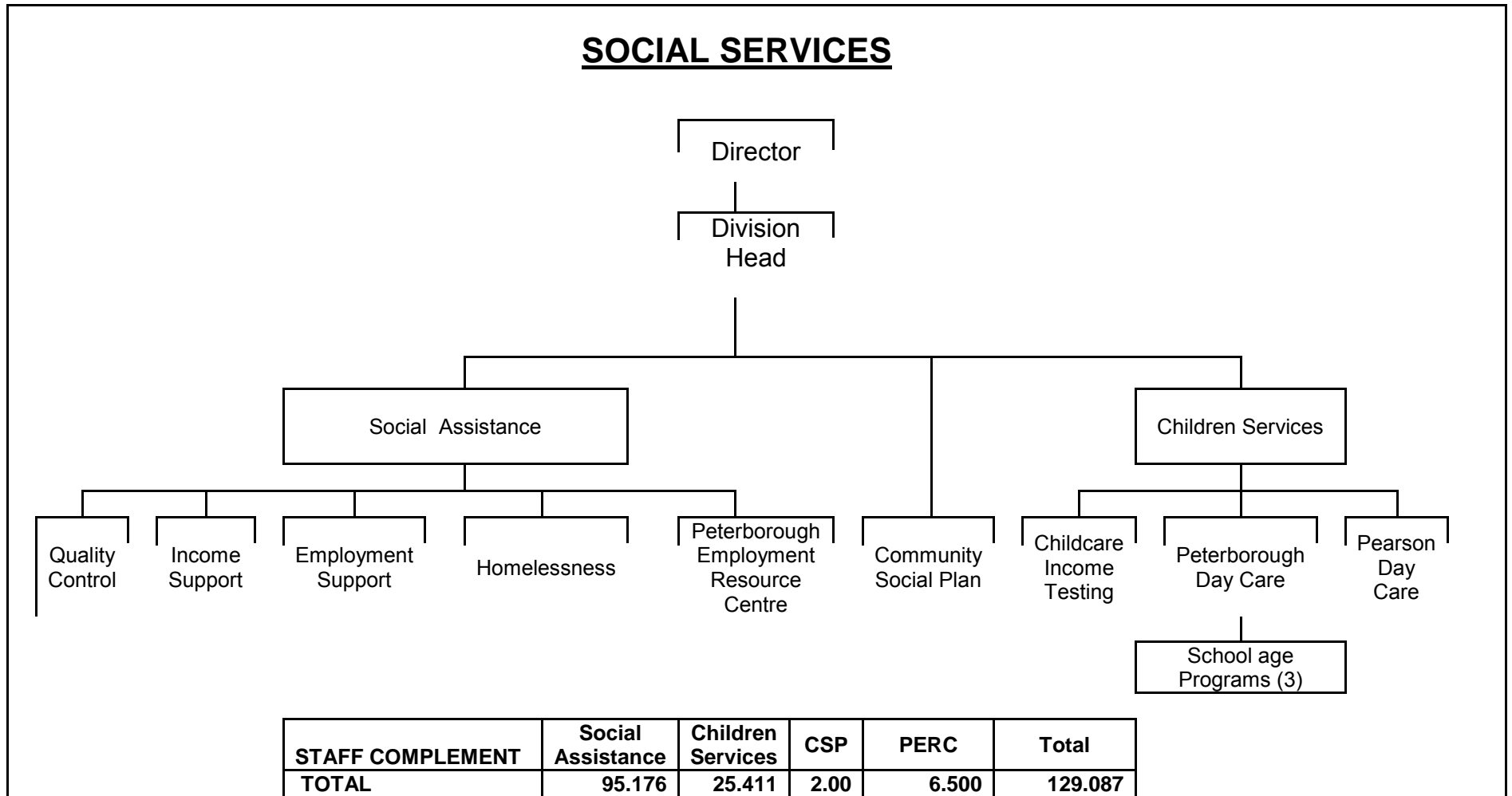
Staff includes all staff
in the job
CVP
considered at
60%
All intensive case
managers incl.

Appendix C -Major Span of Control Studies

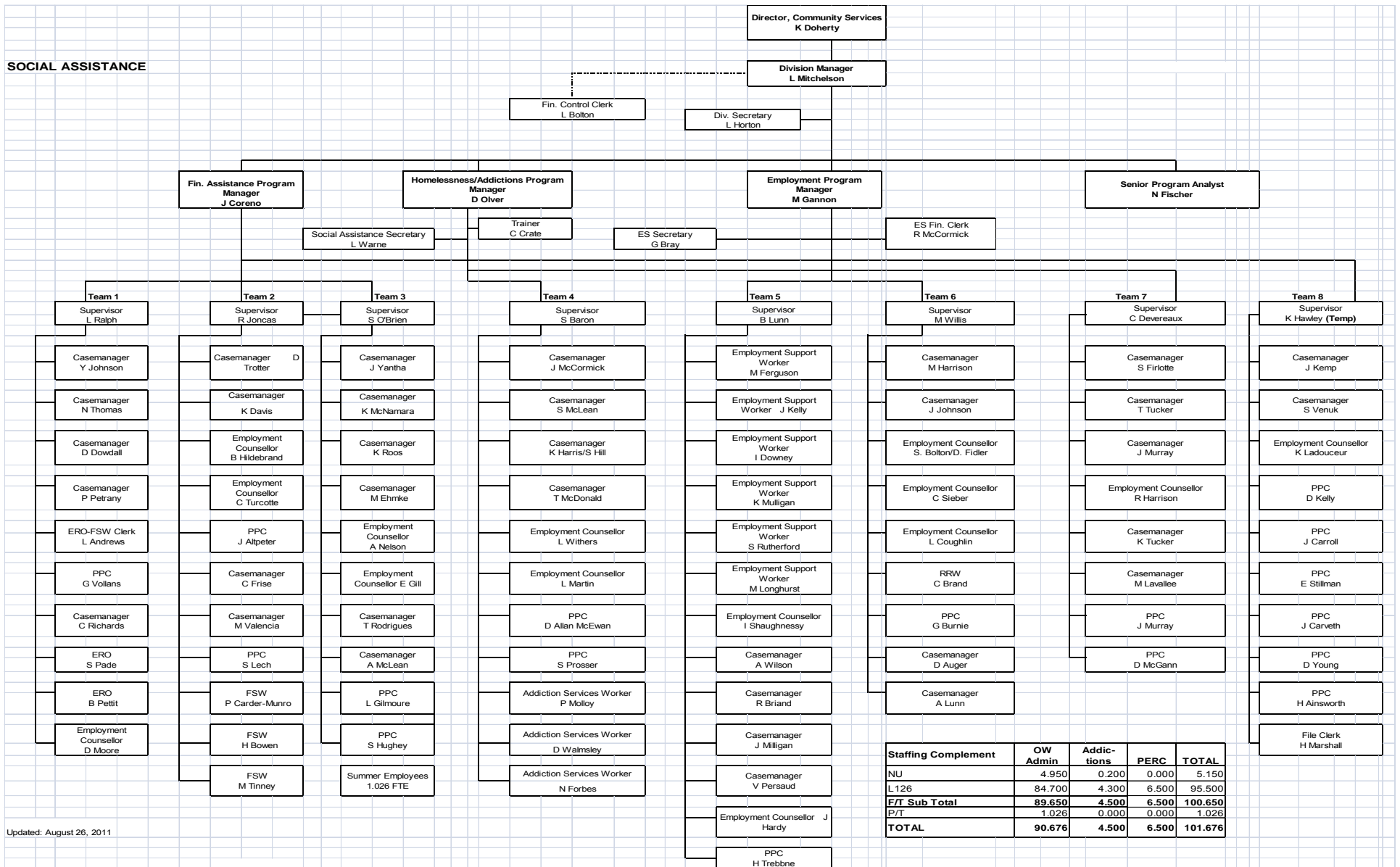
There are a number of studies that discuss and audit span of control, some specifically related to the municipal environment and some specifically related to the Canadian environment but in the health sector. The major studies reviewed for this report included:

1. Defining Span of Control. William G Ouchi and John B Dowling in Administrative Science Quarterly (1974) – reviews the different operational definitions of span or control and proposes definitions to develop common language
2. Performance Audit Span of Control. City Auditors Office, city of Kansas City, Missouri (2002) – An audit of Kansas City span of control across most departments finding that the city's average span of control ranges from 3.2 to 12.8 with a median of 4.6 direct reports/ supervisor. The auditor found that the City's span of control was narrow compared to other City's with too many layers in some areas. Provides a summary of Portland's 1994 study with municipal recommendations.
3. Span of Control in City Government Increases Overall. Office of the City Auditor, Seattle WA (2005) – an audit of the City of Seattle finding the ratio of staff to manager to be 6.8 – higher than reported 10 years earlier. No recommendations for changes
4. Impact of the Manager's span of Control on Leadership and Performance. Canadian Health Services Research Foundation (2004) – the study investigated the relationship between the types of leaders, number of direct reports and outcomes for patients and nurses. The study found that wide span of control decreased the positive impacts of good leadership styles on job and patient satisfaction and increased staff turnover. No leadership style can overcome a wide span of control.
5. Understanding the Relationship between span of control and subordinate consensus in large member exchange. Schyns B., Maslyn J., Weiblier J. in the European Journal of Work and Organizational Psychology (2010)
6. The Impact of Management on Administrative and Survey Measures of Organizational Performance. Rhys Andrews, George Boyne, Richard Walker in Public Management Review (2011)

Appendix D Social Services Organizational Charts



SOCIAL ASSISTANCE



Updated: August 26, 2011

Appendix E- Intensive Case Management Justification

	City	City	County	County
Type of caseload	Case count	Length of time on assistance	Case count	Length of time on assistance
Learning Earning & Parenting	54	20.2	9	16.9
Student Earn and Learn	67	11	10	9.4
Homelessness worker 127	40	16.4	1	4
Homelessness worker 165	25	17.5	0	
Addiction Services Worker 139	14	15.4	4	15.5
Addiction Services Worker 148	40	26.1	6	22.8
Addiction Services Worker 178	32	26.6	7	14.9
All	3316	23.6	644	23.5

So if an intensively case managed program could reduce length of time on assistance by 4 months

Average 2010 cost per case	\$926.00
*includes benefits and admin costs	
Reduction avg time of assistance	4
Savings per case	\$3,704.00
Cases/ year	25
Savings per year per caseload	\$92,600.00