

COMMITTEE AGENDA



TO **Social Services & Housing Committee**

DATE February 16, 2010

LOCATION Committee Meeting Room (Room 112)

TIME 3:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST

PRESENTATIONS (Items with no accompanying report)

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Social Services and Housing Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
SSH-2010 A.1 Draft Committee Mandate and Charter			
SSH-2010 A.2 Discretionary Social Service Programmes			
SSH-2010 A.3 2010 Budget Adjustments			

Resolution to adopt the balance of the Social Services & Housing Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

OTHER BUSINESS

NEXT MEETING – March 15, 2010

**SOCIAL SERVICES & HOUSING COMMITTEE
CONSENT AGENDA**

February 16, 2010

Members of the Governance Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee’s consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION								
<p>SSH-2010 A.1) DRAFT COMMITTEE MANDATE AND CHARTER</p> <p>THAT the Social Services and Housing Committee Mandate and Charter be received.</p>	Receive								
<p>SSH-2010 A.2) DISCRETIONARY SOCIAL SERVICES PROGRAMMES</p> <p>THAT the Social Services Committee recommend to Council that stable funding be maintained in 2010 for the City’s portion of discretionary Social Services Programs at the following budget amounts, as recommended by the County:</p> <table style="margin-left: 40px;"> <tr> <td>1. Ontario Works</td> <td style="text-align: right;">\$ 590,000</td> </tr> <tr> <td>2. Child Care Services</td> <td style="text-align: right;">\$ 464,000</td> </tr> <tr> <td>3. Housing Services</td> <td style="text-align: right;"><u>\$ 53,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$1,107,000</u></td> </tr> </table> <p>AND THAT, where it is practical to do so, and does not reduce provincial subsidy, payments for discretionary grants and programs be made directly to grant recipients and agencies by the City of Guelph;</p> <p>AND THAT City staff report back on changes required to scope of the Guelph Investment Strategy so that the Strategy may now include consideration of the discretionary programs and services;</p> <p>AND THAT City staff be directed to provide further information regarding a process to explore options and impacts of changing Provincial policy and Provincial funding on the delivery of municipally supported child care services for City residents.</p>	1. Ontario Works	\$ 590,000	2. Child Care Services	\$ 464,000	3. Housing Services	<u>\$ 53,000</u>		<u>\$1,107,000</u>	Approve
1. Ontario Works	\$ 590,000								
2. Child Care Services	\$ 464,000								
3. Housing Services	<u>\$ 53,000</u>								
	<u>\$1,107,000</u>								

SSH-2010 A.3) **2010 BUDGET ADJUSTMENTS**

Receive

THAT the report of the Director of Finance dated February 16, 2010 with respect to 2010 Budget Adjustments, be received for information.

B Items for Direction of Committee

C Items for Information

SSH-2010 C.1 **ARBITRATION UPDATE**

Staff Will Provide A Verbal Update

SSH-2010 C.2 **CMSM SOCIAL SERVICE REPORTS**

attach.

Committee Mandate and Charter

Social Services and Housing Committee

A. Mandate for the Social Services and Housing Committee

1 Mandate

The Committee's mandate defines its core areas of management and Responsibility.

Established by Procedural Bylaw (1996)-15200 for Standing Committees, it is the mandate of the Social Services and Housing Committee to ensure efficient and effective delivery of service as it pertains to Guelph residents for the mandatory and discretionary social services, including:

- I. Social Services
- II. Child Care Services
- III. Social Housing
- IV. Homes for the Aged

2. Composition of the Committee

I. The Committee is comprised of four members of Guelph City Council and the Mayor.

II. The Chair is elected by the Committee at their first meeting of each year.

III. Additional staff members or specialists may be called upon to conduct research, communications or any other Committee identified requirements.

B. Committee Charter

The Committee's Charter outlines how the Committee will satisfy the requirements set forth by Council in its Mandate. This Charter comprises:

- Operating principles
- Responsibilities and duties
- Operating procedures

I. I. Operating Principles

All Committee work will be carried out in accordance with provisions of the Municipal Act and other governing legislation and the Committee shall fulfill its responsibilities within the context of the following principles:

i. Committee Values

The Council Code of Conduct, transparency and accountability guide Committee efforts and promote interaction with the highest ethical standards and professionalism while ensuring that the best interests of the community are met. The Council endorsed corporate values of wellness, integrity and excellence will also be observed.

ii. Communications

The Committee Chair will act as the primary spokesperson for any inquiries.

iii. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the Mayor, CAO and other senior staff.

iv. Notice of Meetings

Public notice of all committee meetings will be provided on the City's electronic general calendar at least 72 hours prior to a meeting: by posting a notice in City Hall at least 72 hours prior to the meeting; and by publication in a local paper at least 72 hours prior to the meeting.

It is recognized that some items consistent with Section 239 in the Municipal Act may require a meeting to be closed to the public. The holding of any closed meetings and the general nature of the matter to be considered will be made public to ensure full transparency.

v. Committee Expectations and Information Needs

Meeting minutes will be recorded and distributed to Committee members with each meeting agenda. All decisions that lead to the formulation of recommendations for Council consideration will take place at the Committee meetings only and not through electronic or other outside exchanges. All pertinent information will be shared with all Committee members in advance of meetings. This can include but not be limited to meeting minutes, any supplemental information, public input, media requests etc.

vi. Reporting to Council

The Committee will report to Council with recommendations for approval.

II. Responsibilities and Duties

Specific roles and responsibilities for the Committee as a whole, Chair and Committee members include:

- To receive reports and performance data from the CMSM with respect to the mandatory programs for Social Services, Social Housing, Child Care and Homes for the Aged;
- To receive reports, performance data and recommendations from the CMSM with respect to the provision of discretionary programs relating to Social services, Social Housing, Child

Care and Homes for the Aged;

- Considering and recommending policies governing discretionary expenditures for programs and services provided in Guelph;
 - Ensuring that mandatory programs are being provided by the CMSM according to provincial requirements;
 - Ensuring that there are appropriate management and control procedures in place with mandatory services.
 - Reviewing proposals related to programs funded by the provincial or federal governments.
 - Considering requests for grants to local organizations with respect to discretionary social services and programs being provided in Guelph.
- To maintain order and decorum during meetings, decide questions of procedure, and generally ensure that the committee work proceeds smoothly according to the committee's mandate.
 - To ensure that adequate and appropriate opportunities are provided for input by the public and other key stakeholders at meetings;
 - To engage all members in the decision making process.
Committee members:
 - To read all agenda material, and seek clarification on any matters prior to meetings in order to make the most effective use of the committee's time;
 - To attend meetings and participate fully in all committee work;
 - To debate the issues in an open, honest and informed manner to assist the decision-making process;
 - To actively contribute to reaching committee recommendations and directions;
 - To represent and advocate on behalf of constituents, keeping in mind the entire municipality when considering and addressing issues.

III. Operating Procedures

- i. The Committee shall meet on the second Monday of each

month

- ii. A quorum shall be a majority of the whole committee (3).
- iii. Meeting minutes will be provided to each member of the committee as part of the agenda for meetings.
- iv. The Chair of the Committee shall establish regular meeting dates and be responsible for calling the meetings.
- v. Any rule not stated herein is deemed to be provided in Bylaw 1996-15200 Consolidated Procedural By-law.
- vi. The Chair shall vote on any motion.

TO **Guelph Social Services Committee**

SERVICE AREA Finance Department
DATE February 16, 2010

SUBJECT Discretionary Social Service Programmes
REPORT NUMBER FIN-10-05

RECOMMENDATION

THAT the Social Services Committee recommend to Council that stable funding be maintained in 2010 for the City's portion of discretionary Social Services Programs at the following budget amounts, as recommended by the County:

1. Ontario Works	\$ 590,000
2. Child Care Services	\$ 464,000
3. Housing Services	<u>\$ 53,000</u>
	\$1,107,000

THAT, where it is practical to do so, and does not reduce provincial subsidy, payments for discretionary grants and programs be made directly to grant recipients and agencies by the City of Guelph.

That City staff report back on changes required to scope of the Guelph Investment Strategy so that the Strategy may now include consideration of the discretionary programs and services; and

THAT City staff be directed to provide further information regarding a process to explore options and impacts of changing Provincial policy and Provincial funding on the delivery of municipally supported child care services for City residents.

REPORT

There are a number of discretionary social services programs that the City and County have supported for a number of years which are not mandated by Provincial Legislation. These programs have traditionally been administered by the County. Some programs involve provincial subsidy, some are funded jointly by the City/County and some are funded solely by the City.

Schedule 1 provides a summary of the 2010 County approved budget amounts, and 2009 budget comparisons. The discretionary programs that impact the City have a gross expenditure of approximately \$4.6 million, provincial subsidy of \$3.2 million, a City required levy support of \$1.107 million, and a County levy support of \$323,000. The 2010 City budget request of \$1.107 million compares to a 2009 budget amount of \$1.015 million.

The County has provided additional detail on the discretionary programmes and it is attached as Schedule 2. Further details on the grant recipients for the Homelessness Prevention Programmes are in Appendix A and details on the Child Care grant recipients are attached as Appendix B. These grant recipients included the Guelph Neighbourhood Support coalition, Children's Foundation of Guelph and Wellington, Guelph/Wellington Women in Crisis, WDG Public Health Wee Talk and Dental Health and Guelph Community Health Centre.

At the September Social Services Committee, County staff provided the Committee with a report on the pending reduction in Early Learning and Child Development Funding. That report is attached as Schedule 3 to this City staff report. The County report highlights expected reductions in the Provincial Early Learning and Development Operating Grant. Some bridge funding for 2010 has been provided. The report suggests strategies/scenarios which forecast significant increases in City levy support over the next 5 years to replace Provincial funding. These funding losses will impact discretionary programs and discretionary levels of service in prescribed programs.

The 2010 Child Care Services budget presented to County Council on January 28 includes the loss of \$454,900 in Provincial funding. Expenditures have been reduced to partially offset this loss, and the additional City municipal levy recommended by County staff is \$232,000, which appears to all be allocated within the prescribed service areas to wage subsidies and special needs. The levy funding for discretionary programs for child care appears to be comparable to 2009. The impact of changing provincial funding and kindergarden programs over the next few years, on the Willowdale Child Care Centre, which provides spaces for 46 children, and receives substantial provincial subsidy is unknown.

It is recommended that City staff be directed to seek further information regarding these discretionary programs, and a consultation and evaluation process be undertaken by City staff in 2010 as part of the Community Investment Strategy project, and further, that information be provided to City Council regarding options and impacts of changing Provincial policy and Provincial funding on the delivery of municipally supported child care services for City residents.

CORPORATE STRATEGIC PLAN

Goal 2 A healthy and safe community where life can be lived to the fullest

Goal 5 A community focused responsive and accountable government

FINANCIAL IMPLICATIONS

The funding gap for Social Services between the December 15 City approved 2010 levy, and the amount recommended by County staff in the County's 2010 budget was quantified by the County at \$394,000, which would include these discretionary programs, but exclude the impact of the arbitration and any change to overhead allocations. A separate report on the Social Services budget is being prepared.

City staff will be advising Council on adjustments required to the levy and/or other expenditures upon further analysis of the County Social Services budget and the arbitration decision

The increase in funding for these discretionary programs is \$92,000 over the 2009 budgeted amount of \$1,015,000, representing a 9.1% increase in this budget category. The increases in funding are primarily for the Give Yourself Credit Programme (\$32,000) and the United Way Poverty Task Force (\$63,000).

For discretionary services, further consultation is required with the County and funding recipients which will not be completed before the tax rates are finalized.

In the interim, many community groups are impacted by the discretionary programs aspect of the City/County Shared Services.

To provide certainty and stability to the many stakeholders affected by these programs, it is recommended that Council confirm this stable funding support for 2010, and a consultation and evaluation process to be undertaken by City staff in 2010 as part of the Community Investment Framework project.

DEPARTMENTAL CONSULTATION

Staff from Community Services and Development have been consulted and will assist with the 2010 community consultation and evaluation of these programmes.

ATTACHMENTS

Schedule 1: Summary of Discretionary Social Services Expenditures

Schedule 2 – County of Wellington 2010 non-prescribed social service programme summary

Appendix A: Consolidated Homeless Prevention Programme Grant Recipients

Appendix B: Child Care Grant Recipients

Schedule 3 – County Reports CCS 09-20 and CCS 09-21 from September 2009
County Social Services Meeting

original signed by:

Prepared and Recommended By:

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Director of Finance

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Schedule 1 - County of Wellington Expenditures and Allocation of Costs
Report FIN-10-05 Discretionary Social Service Programme

<u>Services</u>	<u>Description</u>	<u>2010 Total Expenditure</u>	<u>Subsidy</u>	<u>2010 County budget for City portion</u>	<u>Wellington</u>	<u>2009 County budget for City portion</u>
Ontario Works						
Discretionary benefits (100% municipal funding)	A non-mandatory health and non health (dental to adults, funerals, vision) benefit assessed on a case by case basis to persons with low income but not in receipt of Ontario Works.	\$ 204	\$ -	\$ 130	\$ 74	\$ 118
Domiciliary Hostels	Privately operated permanent residences for people with special needs, mental illnesses substance abuse or who are frail or elderly. Individuals living in domiciliary hostels who are eligible may receive an amount for board and lodging.	\$ 940	\$ 761	\$ 138	\$ 41	\$ 123
Emergency Energy Fund	100% provincial funds, funds distributed to vulnerable low income families who are facing energy related emergencies (Energy arrears, security costs, reconnection).	\$ 32	\$ 32	\$ -	\$ -	\$ -
Give Yourself Credit Programme	An alternative educational programme created through the collaboration of numerous community agencies for at risk youth to give them a chance to experience school success.	\$ 82	\$ -	\$ 62	\$ 20	\$ 30
United Way Poverty Task Force	Full time staff person to coordinate volunteer task force on poverty elimination.	\$ 84	\$ -	\$ 63	\$ 21	\$ -
Seniors at Risk Coordinator	County provides funds to Trellis to fund a coordinator to deliver a programme for at-risk seniors.	\$ 78	\$ -	\$ 52	\$ 26	\$ 50
Consolidated Homelessness Prevention Programme (CHPP)	Funding is provided to the support an outreach worker through the Community Resource Centre in Fergus, our County of Wellington Housing Registry, and other community programmes through an RFP process.	\$ 220	\$ 145	\$ 59	\$ 16	\$ 59
Wellington-Guelph Drug Strategy Coordinator	Coordinates and directs implementation of the strategies of the Wellington Guelph Drug Strategy Committee made up of several Community partners.	\$ 111	\$ -	\$ 86	\$ 25	\$ 89
	Subtotal Ontario Works	\$ 1,751	\$ 938	\$ 590	\$ 223	\$ 469
Child Care Services						
Child Care Grant Programme	Funding to a variety of agencies through an annual Grant Programme (formerly the National Child Benefit Reinvestment programme).	\$ 405	\$ -	\$ 322	\$ 83	\$ 362
Willowdale Child Care and Learning Centre (Guelph)	Provides high quality licensed child care for 46 children ages 18 months to six years.	\$ 839	\$ 697	\$ 142	\$ -	\$ 131
	Subtotal Child Care	\$ 1,244	\$ 697	\$ 464	\$ 83	\$ 493
Housing Services						
Rent Supplements - Housing Strategies	Provide municipal subsidies under a local initiative to landlords for up to 10 eligible tenant households of low to moderate income, with termination to occur by 2025.	\$ 70		\$ 53	\$ 17	\$ 53
Rent Supplements - Strong communities	Provide municipal subsidies to landlords for up to 85 eligible tenant households of low to moderate income, with termination to occur by 2023.	\$ 583	583	\$ -		
Housing rent bank	Provide provincial funding equivalent to two months of rent arrears to tenants at risk of eviction.	\$ 90	90	\$ -		
Housing Help Centre	Outreach services to low income tenants at risk of losing their housing.	\$ 62	62	\$ -		
Affordable Housing - Rental	County is the delivery agent for incentives to owners to create new rental housing for moderate income households.	\$ 524	524	\$ -		
Affordable Housing - Home Ownership	County is the delivery agent for forgivable down-payment provincial incentives to new home buyers who are moderate income households.	\$ 136	136	\$ -		
Affordable Housing - Allowances	County is the delivery agent for provincial subsidies to provide shallow subsidies to tenants who are low income households.	\$ 162	162	\$ -		
	Subtotal Housing	\$ 1,627	1557	\$ 53	\$ 17	\$ 53
Total City/County Shared Discretionary Services		\$ 4,622	\$ 3,192	\$ 1,107	\$ 323	\$ 1,015

COUNTY OF WELLINGTON
2010 NON-PRESCRIBED SOCIAL SERVICE PROGRAMME SUMMARY
 (All figures in \$000's)

Service	Description	Service Delivery and Funding Considerations	2010 Expend.	Net cost to Guelph	Net cost to Wellington
Ontario Works					
Discretionary benefits (100% municipal funding)	A non-mandatory health and non health (dental to adults, funerals, vision) benefit assessed on a case by case basis to persons with low income but not in receipt of Ontario Works. e.g. specialized mattresses, dentures, etc. Applications (ministry form) submitted by individuals and service providers. County staff apply means test to determine eligibility and meet with applicants or service providers as required. Information maintained in county database.	City could develop and administer their own programme. No expectation from Province that this service be provided. Similar services also provided by service clubs, Salvation Army, etc. No provincial funding.	\$ 204	\$ 130	\$ 74
Domiciliary Hostels	Privately operated retirement homes for people with special needs, or who are frail or elderly. Individuals living in domiciliary hostels who are eligible may receive an amount for board and lodging. County creates and monitors standards, performs inspections, reviews applications and determine eligibility, review and process per diem payments, provides case management services, quarterly reporting to province.	Province will not enter into a domiciliary hostel service contract with anyone other than a CMSM. Province expects that CMSM will deliver the service if the need exists. Annual service contract with Province. Majority is 80% funded. Province sets per diem rates. City could choose to not fund the programme in Guelph	\$ 940	\$ 138	\$ 41

Service	Description	Service Delivery and Funding Considerations	2010 Expend.	Net cost to Guelph	Net cost to Wellington
Emergency Energy Fund	100% provincial funds distributed to vulnerable low income families who are facing energy related emergencies (energy arrears, security costs, reconnection). First-come first-served until funds expended. Applications submitted by individuals and energy providers and dealt with on an emergency basis. County staff apply means test to determine eligibility and meet with applicants or service providers as required. Funds distributed to energy providers. Information maintained in county database.	Separate service contract with Province. Province establishes directive on use of funds. Administration could be contracted out to a community agency. County accountable for how funds are used. Province will not enter into a service contract with anyone other than a CMSM. County could enter into a contract with City to deliver on our behalf.	\$ 32	\$ -	\$ -
Give Yourself Credit Programme	An alternative educational program created through the collaboration of numerous community agencies for at risk youth to give them a chance to experience school success. Also funded by UGDSB. Entirely discretionary. Run in Guelph at the Matrix Building. Family and Children's Services is lead agency. Open to residents of both Guelph and Wellington, but predominantly used by City residents. Funding used to rent space and for a teacher's aid position.	County has entered into agreement with 30 day cancellation clause. City could fund GYC directly or not at all.	\$ 82	\$ 62	\$ 20
United Way Poverty Task Force	To provide funding to support a full time staff person in support of the task force on poverty elimination. Coordinate efforts of various volunteer partners. Entirely discretionary.	Funding agreement expires at the end of October 2010. City could fund UW directly or not at all.	\$ 84	\$ 63	\$ 21
Rural Women's Shelter Programme	Outreach and Counselling services for rural women experiencing or fleeing domestic violence.	100% funded by County.	\$ 56	\$ -	\$ 56

Service	Description	Service Delivery and Funding Considerations	2010 Expend.	Net cost to Guelph	Net cost to Wellington
County Transportation Programme	Transportation is made available for low income county residents and is provided through the Community Resource Centre in Fergus. The County provides funding to cover staff salary and gas reimbursement for the volunteer drivers.	100% funded by County.	\$191	\$ -	\$ 191
Seniors at Risk Coordinator	County provides funds to Trellis to fund a coordinator to deliver a program for at-risk seniors. Programme delivered in Guelph and Wellington.	CMSM has agreement with Trellis with 30 day termination clause.	\$ 78	\$ 52	\$ 26
Consolidated Homelessness Prevention Program (CHPP)	Funding is provided to support an outreach worker through the Community Resource Centre in Fergus, and other community programmes through an RFP process (see Appendix "A" for recipients in 2009).	County receives funding as the homelessness service provider. Province will not send homelessness funding to anyone other than a CMSM. Programme includes \$75,000 of municipal funding. City and County could individually decide whether or not to provide this additional municipal funding.	\$ 220	\$ 59	\$ 16
Wellington-Guelph Drug Strategy Coordinator	Coordinates and directs implementation of the strategies of the Wellington Guelph Drug Strategy Committee made up of 22 community partners. Funding provided to GCHC who employs the coordinator. Mayor and Warden and other community leaders make up the Leadership Advisory Group. Services both Guelph and Wellington.	CMSM has agreement with GCHC and WGDSC with 90 day termination clause. City and County could individually decide whether or not to provide this municipal funding.	\$ 111	\$ 86	\$ 25

Service	Description	Service Delivery and Funding Considerations	2010 Expend.	Net cost to Guelph	Net cost to Wellington
Child Care					
Child Care Grant programme	Funding to a variety of agencies through an annual Grant Programme (formerly the mandatory National Child Benefit Reinvestment programme)	See Appendix "B" for list of recipients and service descriptions	\$ 405	\$ 322	\$ 83
Willowdale Child Care and Learning Centre (Guelph)	Provides high quality licensed child care for children ages 18 months to six years. This has been established as a high needs community that requires child care. Building is owned by the City.	A large percentage of funding for this centre is comprised of provincially cost shared dollars. Choosing to not operate this programme would result in the cost shared funding (fee subsidy and wage subsidy) being reallocated to other centres. The net effect would be a savings to the City of approximately \$36,000 in operating costs.	\$ 839	\$142	--
Mount Forest Child Care and Learning Centre (Wellington)	Provides high quality licensed child care for children ages 18 months to twelve years co-located with Ontario Early Years and Public Health in the new County of Wellington Community Services Centre.		\$ 771	--	\$ 117
Housing					
Rent Supplements - Housing Strategies	Provide municipal subsidies under a local initiative to landlords for up to 10 eligible tenant households of low-to-moderate income, with termination to occur by 2025. CMSM local initiative based on 2005 housing strategy. County enters into and monitors agreements with landlords and provides subsidies for tenants, similar to existing 119 mandatory rent supplement units.	Agreements could be terminated when units are vacated. City could deliver and fund directly as units are vacated. Currently 9 in the City and 1 in the County. CMSM rules are same as provincial mandatory rules, including access by tenants (including OW and ODSP) from local waiting list.	\$ 70	\$ 53	\$ 17

Service	Description	Service Delivery and Funding Considerations	2010 Expend.	Net cost to Guelph	Net cost to Wellington
Rent Supplements - Strong communities	Provide provincial subsidies to landlords for up to 85 eligible tenant households of low to moderate income, with termination to occur by 2023. Target groups are regular units, health support units and women-in-crisis, mental health, etc. County enters into and monitors agreements with landlords and provides subsidies for tenants. County also enters into and monitors agreements with support agencies for supportive services (e.g. Women in Crisis and Canadian Mental Health, Community Living).	100% provincial funding. Province has MOU with CMSM only. Province establishes rules and reporting requirements. Currently 7 units in County and rest are in the City.	\$ 582	--	--
Housing rent bank	Provide provincial funding equivalent to two months of rent arrears to tenants at risk of eviction. Annual funding is \$68,000 – 100% provincial DOOR funding is being used to increase available funds to meet current demand. Delivery is through the Housing Help Centre.	100% provincial money. CMSM has entered into agreement with the province. Province establishes rules and reporting requirements. Rent bank funds are provided only to CMSM.	\$ 165	--	--
Housing Help Centre	Outreach services to low income tenants, including those on the waiting list, at risk of losing their housing. One stop shop for four housing services. Funding pays for one staff person.	100% provincial funding through MCSS as part of Homelessness funding. Service contract with Province. Province will not enter into agreements with anyone other than a CMSM.	\$ 62	--	--

Service	Description	Service Delivery and Funding Considerations	2010 Expend.	Net cost to Guelph	Net cost to Wellington
Affordable Housing - Home Ownership	Forgivable down-payment provincial incentives to new home buyers who are moderate income households. One time money from 2005 programme resulted in agreements with 46 households the city and 8 in the county. Funding from 2009 resulted in agreements with 3 households in the city and 2 in the county. 2009 programme ends March 31 2011.	CMSM is the delivery agent and has agreements with the Province for 20 years. 100% provincial money. Province establishes eligibility and reporting requirements. Entire budget amount for 2010 relates to Options for Homes – will be flowed from province to CMSM and from CMSM to homeowners upon closing.	\$136	--	--
Affordable Housing – Allowances	Lower subsidies than a typical rent supplement provided to tenants who are low income households. County enters into agreements with landlords and provides allowances to 54 tenants averaging \$250 per month per unit over 5 years. Currently 1 recipient in the County and 53 in the City. Programme expires in 2013.	CMSM is the delivery agent and has agreement with the Province until March 31, 2013. 100% provincial money. Province establishes eligibility and reporting requirements.	\$ 162	--	--
Affordable Housing - Rental	Incentives to create new rental supply to 5 affordable housing proponents (3 in the City, 2 in the County). Incentives and requirements vary depending on the programme release. CMSM enters into and monitors agreements with Affordable Housing Providers depending on the programme release (i.e. 20 or more years of affordability).	CMSM is the delivery agent and has agreements with the Province. Only CMSM can deliver programme incentives consisting of federal/ provincial grants and any municipal incentives/ requirements. Province establishes eligibility and reporting requirements.	Fergus constr. Costs and annual operating	-	Fergus construction costs and annual operating
Social Housing Capital-Repairs	One-time grant funding (\$66.7 million) over two years for capital repairs to existing 22 social housing providers. CMSM enters into and monitors agreements with Social Housing Providers.	Programme ends March 31, 2011. CMSM is the delivery agent and has agreement with the Province. 100% provincial money. Province establishes eligibility and reporting requirements.	Capital Budget	-	-

APPENDIX "A"
CHPP RECIPIENTS IN 2009

Agency	Program Description	Total Funding	City	County
Royal City Christian Life Centre	Funding request to provide food, furniture, prescriptions, medicine, clothing, transportation and shelter for the homeless population they serve on a daily basis	\$10,000	\$10,000	
Ramoth House	Funding request to provide a post programme Community Worker.	\$10,000		\$10,000
Community Resource Centre	Funding request to continue to provide a rural Rent and Utilities Bank programme.	\$40,000		\$40,000
Salvation Army	Funding request to continue to provide a Rent and Utility Programme as well as an Emergency Crisis Accommodation fund.	\$45,000	\$45,000	
Michael House	Funds to continue Aftercare Community Worker	\$7,740	\$7,740	
Drop In Centre	Funding request to continue to provide a Rent and Utility Bank programme	\$60,000	\$60,000	
Wyndham House	Funding to continue a Skills Development Programme that empowers youth to make significant change in their lives.	\$38,605	\$38,605	
Guelph Community Health Centre	Programme that assists marginalized people to get their personal identification which is a fundamental requirement to access services.	\$9,000	\$9,000	
TOTAL		\$220,345	\$170,345	\$50,000

APPENDIX "B"
2010 BUDGETED CHILD CARE GRANTS

Service	Description	City	County	Total
City of Guelph Neighbourhood Support Coalition	The Guelph Neighbourhood Support Coalition receives annualized funding from the County of Wellington. Other funding sources include the United Way and the City of Guelph for an approximate budget of \$286,000. The NSC also receives occasional funding from other sources for specific projects. Could be directly administered and funded by the City.	\$75,000	--	\$75,000
Guelph Community Health Centre – Data Analysis Coordinator	Province funds the position, but the amount of funding has been static since 2002. The DAC advises and supports the development of effective tracking mechanisms and evaluation tools to measure the impact of the early years programs on children from birth to six and their families. This position has been involved in the Report Card Coalition, the Guelph Community Foundation's Guelph and Wellington Vital Signs 2008 report and Growing Great Kids activities. Provides statistics for mandatory child care service planning. Possible that this position will be shifted to CMSMs by Province.	\$15,098	\$5,032	\$20,130
Children's Foundation - Recreation Funding	Access to sports and recreation and coordination of fee assistance has been identified by a number of local agencies as a gap in Guelph and Wellington. A number of local service providers and funders, including the County of Wellington, the City of Guelph, the United Way and the Children's Foundation have come together to develop a coordinated approach to allocating recreation subsidies to children and families. Could be directly funded by the City.	\$21,748	\$7,252	\$29,000

Service	Description	City	County	Total
Community Resource Centre - Early Years in East Wellington	Ontario Early Years Centres are places where parents and caregivers can take part with their children in a range of programs and activities, get answers to questions, get information about and referrals to programs and services that are available for young children, talk to early years professionals, as well as other parents and caregivers in the community. The Ontario Early Years Centres (OEYCs) are provincially funded programmes. Since their introduction Early Years Centres have received no annualized increases from the provincial government despite cost of living increases and population growth in some regions. The Community Resource Centre operates the Rural Wellington Early Years Centre with satellite sites in Harriston and Erin. The Erin satellite is funded through a service agreement with the Community Resource Centre and operated by EWAG. No City funding.	—	\$26,000	\$26,000
Guelph Community Health Centre - Early Learning Programmes	See description above. Guelph Community Health Centre operates the Guelph Early Years Centre serving the City of Guelph and Puslinch Township. Could be directly funded by the City.	\$80,100	\$8,900	\$89,000
County of Wellington Child Care Service - recreation tickets	Access to sports and recreation and coordination of fee assistance has been identified by a number of local agencies as a gap in Guelph and Wellington. A number of local service providers and funders, including the County of Wellington, the City of Guelph, the United Way and the Children's Foundation have come together to develop a coordinated approach to allocating recreation subsidies to children and families. No City funding.	—	\$5,000	\$5,000
Growing Great Kids Network	Funds used by network for system wide community planning of children 0-6. The network is responsible for child care planning in Guelph and Wellington.	\$9,613	\$2,387	\$12,000

Service	Description	City	County	Total
Guelph Community Health Centre - Quality Child Care Initiative	The Quality Child Care Initiative is the County of Wellington's strategy to improve child care quality. The initiative is managed by the Guelph Community Health Centre with funding from the County of Wellington Child Care Services and the Ministry of Children and Youth Services. The initiative offers support for programmes by providing a resource library, networking opportunities, programme consultations, training and professional development opportunities. Participation in the initiative is voluntary however many programs use the initiative as a support to evaluate their programme and to achieve the minimum standards required to enter into a service agreement with the County of Wellington. Serves both Guelph and Wellington. This programme is currently under review.	\$51,750	\$17,250	\$69,000
Guelph Community Health Centre - Garden Fresh Box	The Garden Fresh Box is an initiative coordinated by the Guelph Community Health Centre (GCHC) that improves access to local produce, encourages healthy eating and provides a significant volunteer opportunity in our community. GCHC works with neighbourhood groups to coordinate ordering, packing and delivery of fresh produce once a month. Services of GCHC are intended to support those who barriers to good health. Could be directly funded by the City.	\$27,000	\$3,000	\$30,000
Wellington-Dufferin-Guelph Public Health - Dental Program	Not to be funded in 2010. Staff to report back on possible use of funds.	\$10,500	\$3,500	\$14,000
Wellington-Dufferin-Guelph Public Health - Wee Talk / Action Read	Ontario Early Years Centres are funded to hire Early Literacy Specialists to provide consultations and workshops to parents and community agencies to enhance the early literacy skills of young children. Wellington-Dufferin-Guelph Public Health has received funding through the Best Start Initiative to develop an emerging literacy strategy.	\$18,000	—	\$18,000
	This strategy is delivered through the Wee Talk program. Could be directly funded by the City.			
Guelph-Wellington Women in Crisis	Women-in-Crisis supports women in Guelph and Wellington who are victims of violence. The agency receives funds to assist these women to access short term emergency child care in the informal sector. Could be directly funded by the City.	\$13,500	\$4,500	\$18,000
	Total	\$322,309	\$82,821	\$405,130



County of Wellington
 Social Services Department – Child Care Services

SCHEDULE 3

Report Number: CCS-09-20

To: Chair and Members of the Social Services Committee
From: Luisa Della Croce, Director of Child Care Services
Date: August 12, 2009
Subject: Reduction in Early Learning and Child Development Funding

BACKGROUND AND STATUS

In 2006, the Federal Government announced that the funding from the 2005 Bilateral Agreement on Early Learning and Child Care would end after the first year. This resulted in the Province receiving a final one time payment of \$254 million dollars from the original \$1.9 billion agreement. The Province distributed this funding as part of the Best Start Initiative, which combined provincial one time grant allocations with the one time federal payment split into \$63.5 million per year for four years ending 2009/10.

In the 2009 Ministry budget, the Province replaced the Best Start Grant with the Early Learning and Child Development (ELDC) Operating Grant. As this grant continued to be allocated on a "one time" basis and did not identify the federal portion, municipalities anticipated the possibility that the full ELDC funding may be at risk.

In May 2009 staff provided Social Services Committee with the following 2009 ELCD Operating Grant chart to show how this funding is currently allocated in our community:

Service Area	Allocation	Services Currently Supported
Planning	\$42,000	United Way contract for Growing Great Kids Network
Fee Subsidy	\$602,000	Approximately 100 children are receiving subsidy as follows: County - 20 children City - 80 children
Wage Subsidy	\$456,000	Funding is allocated to a total of 275 FTE as follows: County - 56 FTE City - 219 FTE
Wage Improvement	\$449,000	Funding is allocated to a total of 329 FTE as follows: County - 57 FTE City - 272 FTE
Special Needs	\$594,000	Funding is allocated to: 5.3 Community staff currently support 144 children Programme consultation and training provided by the Quality Child-Care-Initiative Additional .6 Contract position supported for Intake and Eligibility
Programme Supports	\$510,900	Supports programme cost as well as the following positions: Community services manager Programme advisor Programme analyst Lead home child care consultant Home child care consultant Subsidy worker Intake/reception
Total Funding	\$2,653,900	

County of Wellington
Social Services Department – Child Care Services

CURRENT STATUS

In August 2009, staff received confirmation that the Federal funding reduction would result in an ongoing loss of \$634,866 to the Early Learning and Child Development Operating Grant as of March 2010.

In partial off-set, the County will receive an allocation of \$179,962 from the \$18 million one-time provincial funding announcement to provide municipalities "bridge funding" to support the child care system for the period April to June 2010. This grant is subject to legislative approval.

This results in staff planning a reduction strategy for a funding loss of \$454,904 in 2010 and the full \$634,866 funding loss in 2011. There remains the possibility of further reductions being realized on a yearly basis as the remainder of the Early Learning and Child Development Operating Grant remains on a one-time funding basis.

As the systems manager, the County is committed to the Ministry's goal to support social and economic development in Ontario by investing in and supporting an affordable, accessible, and accountable child care system. As there continues to be insufficient child care spaces available to meet the demands of our community, an increase in the need for child care fee subsidy and for therapeutic care for children with special needs as well as an underpaid child care workforce, decisions to reduce public funds requires a strategic and comprehensive response that fully understands and prioritizes the needs of the children, families, the ECE workforce, and the overall financial viability of child care programmes in our community.

Two child care programme community forums were held in June 2009 to provide boards of directors, supervisors and frontline staff the opportunity to prioritize the support needed to promote the viability of our child care community. The final report indicated the three top priorities included equal wages for all positions, advocacy and universal child care.

Based on our commitment as systems manager, our Child Care Services Plan and community input, staff propose the following reduction strategy:

1. Fee subsidy and wage subsidy allocations remain unchanged.
2. To minimize the funding reduction in the community, the child care services department will maintain a portion of the current \$510,900 ELDC Operating Grant allocation, with a reduction of approximately \$150,000 effective January 2010. The strategy includes a reduction and restructuring of staff positions, while maintaining the current level of service delivery, and increasing leadership and support to child care programmes.
3. Staff will continue to monitor special needs resource and quality initiative service contracts for possible restructuring and cost savings effective January 2011. Potential savings will be used to increase fee and wage subsidy allocations and/or meet other identified needs in the community and/or address potential changes to the administrative service delivery model.
4. For the Best Start Reserve funding to be used only to offset potential reduction or loss of current "one time" ELDC funding allotment in the future.
5. For the City and County to commit additional 100% municipal dollars starting in 2010 to maintain the current level of service delivery as set out in the attached Scenarios #1 and #2.

County of Wellington
Social Services Department – Child Care Services

FINANCIAL IMPLICATIONS:

The loss of \$634,866 represents a significant decrease in the total child care services funding that supports fee subsidy for low income families, wage subsidy for early childhood programme staff, services for special needs children, quality initiatives and programme staff administration. Three potential funding scenarios have been examined and are attached.

- Scenario #1 **maintains current service levels** using tax dollars based on the assumption that future ELDC funding allotment will be identical to 2011 and keeps the reserve intact
- Scenario #2 **maintains current service levels** using tax dollars and uses the reserve to phase in the tax impact based on the assumption that the ELCD provincial funding ends on April 1, 2011
- Scenario #3 shows service levels being reduced to offset an assumed loss in provincial funding as of April 1, 2012

Staff recommend maintaining current service levels (as set out in Scenarios 1 and 2). The funding loss is offset by savings due to restructuring and by providing for additional property tax funding to support current service levels. The extent of municipal funding required will be dependent on future funding decisions from senior levels of government. The preliminary 5 year plan to be presented in to the Committee in October will be based on Scenario #2.

RECOMMENDATION:

THAT THE following reduction strategy to offset the \$634,866 annual loss of Best Start funding be approved:

1. Maintain the current level of service delivery in our community by leaving fee subsidy and wage subsidy allocations unchanged.
2. To minimize the funding reduction in the community, the child care services department will maintain a portion of the current \$510,900 ELDC Operating Grant allocation, with a reduction of approximately \$150,000 effective January 2010. The strategy includes a reduction and restructuring of staff positions, while maintaining the current level of service delivery, and increasing leadership and support to child care programmes.
3. Staff will continue to monitor special needs resource and quality initiative service contracts for possible restructuring and cost savings effective January 2011. Potential savings will be used to increase fee and wage subsidy allocations and/or meet other identified needs in the community and/or address potential changes to the administrative service delivery model.
4. For the Best Start Reserve funding to be used to offset potential reduction or loss of current "one time" ELDC funding allotment in the future.
5. For the City and County to commit additional 100% municipal dollars starting in 2010 to maintain the current level of service delivery as set out in the attached Scenarios #1 and #2.

Respectfully submitted,
Luisa Della Croce - Director of Child Care Services

County of Wellington
Social Services Department – Child Care Services

CHILD CARE - BEST START EXPENDITURE AND FUNDING PROJECTION

Scenario #1 - Programme expenditure maintained and funded from levy, constant provincial funding

	2009	2010	2011	2012	2013	2014
Programme expenditure	\$ 2,674,400	\$ 2,587,500	\$ 2,652,200	\$ 2,718,500	\$ 2,786,500	\$ 2,856,200
Less: Ministry funding	2,653,900	2,312,700	2,064,000	2,019,000	2,019,000	2,019,000
Net Municipal Funding	20,500	274,800	588,200	699,500	767,500	837,200
Less: Best Start Reserve	-	-	-	-	-	-
Property tax requirement	20,500	274,800	588,200	699,500	767,500	837,200
Cost sharing						
- City of Guelph	15,100	218,700	468,100	556,700	610,800	666,200
- County of Wellington	5,400	56,100	120,100	142,800	156,700	171,000
Best Start Reserve Fund						
Opening Balance	1,759,496	1,812,281	1,866,649	1,922,649	1,980,328	2,039,738
Transfers out	-	-	-	-	-	-
Interest earned (3%)	52,785	54,368	55,999	57,679	59,410	61,192
Ending Balance	1,812,281	1,866,649	1,922,649	1,980,328	2,039,738	2,100,930

CHILD CARE - BEST START EXPENDITURE AND FUNDING PROJECTION

Scenario #2 - Programme expenditure maintained and funded from taxes, lose provincial funding in 2011

	2009	2010	2011	2012	2013	2014
Programme expenditure	\$ 2,674,400	\$ 2,587,500	\$ 2,652,200	\$ 2,718,500	\$ 2,786,500	\$ 2,856,200
Less: Ministry funding	2,653,900	2,312,700	549,700	-	-	-
Net Municipal Funding	20,500	274,800	2,102,500	2,718,500	2,786,500	2,856,200
Less: Best Start Reserve	-	-	(900,000)	(800,000)	(201,518)	-
Property tax requirement	20,500	274,800	1,202,500	1,918,500	2,584,982	2,856,200
Cost sharing						
- City of Guelph	15,100	218,700	956,900	1,526,700	2,057,100	2,272,900
- County of Wellington	5,400	56,100	245,600	391,800	527,900	583,300
Best Start Reserve Fund						
Opening Balance	1,759,496	1,812,281	1,866,649	995,649	201,518	-
Transfers out	-	-	(900,000)	(800,000)	(201,518)	-
Interest earned (3%)	52,785	54,368	28,999	5,869	-	-
Ending Balance	1,812,281	1,866,649	995,649	201,518	-	-

CHILD CARE - BEST START EXPENDITURE AND FUNDING PROJECTION

Scenario #3 - Phase out programme expenditures if provincial funding ends in 2011

	2009	2010	2011	2012	2013	2014
Programme expenditure	\$ 2,674,400	\$ 2,587,500	\$ 2,652,200	\$ 442,000	\$ -	\$ -
Less: Ministry funding	2,653,900	2,312,700	549,700	-	-	-
Net Municipal Funding	20,500	274,800	2,102,500	442,000	-	-
Less: Best Start Reserve	-	-	(1,700,000)	(171,649)	-	-
Property tax requirement	20,500	274,800	402,500	270,351	-	-
Cost sharing						
- City of Guelph	15,100	218,700	320,300	215,100	-	-
- County of Wellington	5,400	56,100	82,200	55,200	-	-
Best Start Reserve Fund						
Opening Balance	1,759,496	1,812,281	1,866,649	171,649	-	-
Transfers out	-	-	(1,700,000)	(171,649)	-	-
Interest earned (3%)	52,785	54,368	4,999	-	-	-
Ending Balance	1,812,281	1,866,649	171,649	-	-	-



County of Wellington
Social Services Department – Child Care Services

Report Number: CCS-09-21

To: Chair and Members of the Social Services Committee
From: Luisa Della Croce, Director of Child Care Services
Date: September 1, 2009
Subject: Directly Operated Child Care Centre Market Rates

BACKGROUND AND STATUS

Market rates charged at our child care centres are reviewed on an annual basis to plan for economic adjustments to increased operational costs such as staff wages and programme supplies. Market rates charged by other community programmes are also considered in order to keep rates within the current market average.

CURRENT STATUS

Mount Forest Child Care and Learning Centre currently charges market rates approximately 15% below the average rates charged by centres in Wellington County with the exception of before and after school care. As the new location in Mount Forest is licensed to offer toddler, preschool and JK/SK care (with an approved 20% mixed ratio school age care), the proposed rate schedule replaces 2009 school age rates with 2010 JK/SK rates.

Willowdale Child Care and Learning Centre currently charges market rates within the average rates charged by centres in Guelph with the exception of half day care.

Mount Forest Child Care and Learning Centre

Programme	Current 2009 Rates	Proposed 2010 Rates
Toddlers		
Full day, 5 days/week	\$29.30	\$30.75
Full day < 5 days/week	\$32.25	\$33.85
½ day with lunch	\$18.50	\$20.35
½ day without lunch	no current rate	\$18.50
Preschoolers		
Full day, 5 days/week	\$27.60	\$28.85
Full day < 5 days/week	\$30.25	\$31.75
½ day with lunch	\$17.20	\$18.90
½ day without lunch	no current rate	\$17.20
JK/SK		
Full day, 5 days/week	(school age \$25.50)	\$28.05
Full day < 5 days/week	(school age \$27.80)	\$30.55
½ day with lunch	(school age \$15.90)	\$17.50
½ day without lunch	n/a	n/a
Before School	\$8.75	\$8.75
After School	\$8.75	\$8.75

* proposed rates represent approximately 5% -10% increase in rates with the exception of before and after school care

County of Wellington
Social Services Department – Child Care Services

Willowdale Child Care and Learning Centre

Programme	Current 2009 Rates	Proposed 2010 Rates
Toddlers		
Full day, 5 days/week	\$39.25	\$39.25
Full day < 5 days/week	\$42.95	\$42.95
½ day with lunch	\$26.00	\$26.75
½ day without lunch	\$23.00	\$23.70
Preschoolers		
Full day, 5 days/week	\$34.50	\$34.50
Full day < 5 days/week	\$38.10	\$38.10
½ day with lunch	\$21.50	\$22.15
½ day without lunch	\$18.55	\$19.10

*proposed rates represent approximately 3% increase in half day rates only

FINANCIAL IMPLICATIONS:

The new rates will be reflected in user fee estimates to be submitted as part of the preliminary 5 year plan and the 2010 operating budget.

RECOMMENDATIONS:

THAT THE proposed market rates to be charged by directly operated child care centres effective January 1, 2010 be approved as set out in this report, and
THAT staff be directed to prepare the necessary by-law.

Respectfully submitted,

Luisa Della Croce, Director of Child Care Services

COUNCIL REPORT



TO **Guelph City Council**

SERVICE AREA Finance Department
DATE February 16, 2010

SUBJECT 2010 Budget Adjustments
REPORT NUMBER FIN-10-06

RECOMMENDATION

THAT this report be received for information purposes.

BACKGROUND

At the December 15 Budget meeting, City Council approved the 2010 budget, including an amount of \$22.6 million for Social Services, with staff to report back with recommendations on managing the financial outcome of the arbitration decision on the Social Services budget, prior to finalization of the tax rates. On January 13 the County approved the Social Services budget, also subject to future adjustments for the arbitration decision. The County Social Services budget is attached as Schedule 1 to this report.

REPORT

The approval of 2010 City tax rates is scheduled for the April 26 Council meeting. There are several items currently under review by staff with respect to shared services with the County which may or may not result in an adjustment to the December 15 approved levy:

- 1) The impact of the arbitration decision which involves a change in the allocation formulas for land ambulance and housing. The change affects the Land Ambulance budget and Housing budgets. The impact has not yet been determined as it involves a review of ambulance call code activity, and data regarding the prior residence of social housing tenants.
- 2) The review of indirect costs by the City and County treasurers. This review which is currently underway includes overhead, administration and facility costs, and could impact the Land Ambulance, Provincial Offences, and Social Services budgets.
- 3) Consideration of funding levels for non-prescribed discretionary services, which is the subject of a separate report to this Committee.

-
- 4) A gap of \$394,000 between the January 13 County estimate for City funding, and what the City has included in its budget. Primary areas impacting increased tax supported funding include expected caseload increases and a contingency for two additional caseload workers, funding for the United Way Poverty position, additional maintenance costs in the housing budget and the substitution of municipal tax levy support to compensate for reduced Early Learning and Child Development grant funding for child care funding.

Attached to this report as Appendix A is correspondence from the City treasurer to the County treasurer regarding options for reducing the City levy requirement, using similar principles that the City used in addressing its budget shortfall in December.

Ongoing discussions between the City and the County treasurer are expected over the next few weeks, before a recommendation regarding the 2010 tax rates can be forwarded to Council.

CORPORATE STRATEGIC PLAN

Goal 2 A healthy and safe community

FINANCIAL IMPLICATIONS

The financial implications will be determined upon further review of the above items.

DEPARTMENTAL CONSULTATION

Adjustments to the final 2010 tax levy will be reviewed by the CAO and Senior Management Team before recommendation to Council.

ATTACHMENTS

Appendix A - Letter

Schedule 1 - County of Wellington 2010 Social Services Budget



Prepared and Recommended By:

Margaret Neubauer

Director of Finance

519-822-1260 E: 5606

margaret.neubauer@guelph.ca

APPENDIX A

January 20, 2010

Hand Delivered

Craig Dyer, CGA
County Treasurer
County of Wellington
74 Woolwich Street,
Guelph, Ontario N1H 3T9

Dear Craig

RE: 2010 County Budget for Social Services

The purpose of this correspondence is to provide assistance to County staff in developing alternatives and recommendations for reductions to the proposed 2010 Social Services and Housing Budget.

Recognizing that the City's approved budget for Social Services of approximately \$23 million dollars represents over 14% of the City's \$162 million 2010 levy, and the County's evidence in the recent arbitration hearing regarding the distinct differences in the needs of Social Services recipients in the City and the County, the City intends to become more actively involved in the delivery of Social Services and the review of Social Services expenditures.

City Council has approved its 2010 budget with the understanding that the tax rate will not be set until mid-March.

With respect to non-prescribed services and enhanced levels of service in the prescribed services, the City would like to explore opportunities for direct delivery of these services and in the case of discretionary grants, direct payment of these expenditures to the recipients. During 2010, the City would like to get a better understanding of the nature of these services, and explore opportunities for integration with other City programs.

As per our recent discussion, following are the principles that the City has used to reduce its budget shortfall for 2010, and would like the County to explore, in reducing the City's required taxation levy for Social Services:

- Protect core services
- Minimize impact to the community
- Mitigate impact to staff with respect to job losses

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- Reflect sensitivity to tax increases to the taxpayer

In applying these principles to address a \$14 million budget gap, the City's Senior Management Team used the following approach to prepare its recommendations to City Council:

- 1) Wage expenditures In anticipation of 2010 budget pressures, City Council provided staff with negotiating guidelines that reflected the current economic environment, with the average increase being 2.6%. The contractually required increases in wages are being offset in several ways:
 - a. staff are being required to take the equivalent of 5 working days off during 2010
 - b. the equivalent of 29 FTE positions have been eliminated from the 2010 budget, through attrition and layoffs
 - c. There are no service expansions or increased funding established for new FTE positions
 - d. Vacancies occurring through attrition are being held unfilled for a minimum of 90 days, and these saving targets are included in the 2010 estimates.
 - e. Recognizing budget challenges will continue in 2011, all vacancies are being examined through a number of criteria, to determine if there are opportunities to reduce wage costs for future years.

Recognizing that wage costs are a significant portion of the Social Services budget, these strategies may assist the County in exploring options for reducing wage cost increases for Social Services and Housing. For example, on page 6 of the Committee package, 2 new Income Support Workers and an additional .5 Clerk position have been identified, in addition to annualization of the two support workers added in 2009.

- 2) Purchased goods and services: For the City, all operating expenditures are being held at 2009 levels, unless contractually committed or otherwise unavoidable. In application, this means that unavoidable price increases such as utility rates and insurance are incorporated into the budget. Where possible, a reduction in volume of purchases or reductions in administrative costs have been used to offset price increases. For example, the actual cost of utilities is being reduced, despite price increases, due to energy efficiency initiatives that the City has undertaken to reduce consumption volumes. In keeping with the principle of minimizing impact of expenditure

reductions on municipal service recipients, catering expenditures have been impacted corporate wide, and training and conference expenditures have been reduced by 40%, with emphasis that the remaining budget dollars are targeted to mandatory training as well as ensuring staff maintain professional accreditation requirements. The City would like the County to identify opportunities for cost savings in purchased goods and services, using similar principles.

- 3) Capital contributions: City contributions to City managed capital and capital reserve funds from the tax base have been held at 2009 levels. The City recognizes that there is a gap in the level of sustainable funding required to maintain its infrastructure, and the current level of support from the tax base. However, recognizing the current economic environment, the City's 2010 capital plan focuses on completing works already funded and in progress, as well as considerable stimulus projects, leveraging federal/provincial grant monies and on developing a long term approach to capital funding with gradual, but reasonable increases in tax supported funding to support the capital plan. With respect to addressing capital funding gaps for Social Services, the City would like to understand how the County approaches capital priority setting for Social Services and Housing and what options are available for leveraging tax supported funding and containing capital cost increases, including (among other options) alternative service delivery models. This would allow the City to incorporate Social Services and Housing needs into its long term capital forecast.

- 4) Social Assistance and Subsidy Payments: It is recognized that 2009 and 2010 are unusual years with respect to the increased caseloads that are being experienced by the CMSM. Further, there is a higher risk that volumes could be significantly higher or lower than the budget estimate. As you know, reserve funds are often used to avoid the peaks and valleys associated with temporary expenditure fluctuations, rather than incorporating the full impact as a tax increase or tax decrease. Perhaps the 2010 budget could reflect County staff recommendations for a normalized level of transfer payment requirements, recognizing pending Provincial uploading, and provide recommendations on the use of reserves to address the potential risk of temporary fluctuations. In addition, the Auditor General's recent report on Ontario Works and ODSP provide some insight on where there may be opportunities to reduce Social Services transfer payments, while adhering to the mandatory requirements of these prescribed programs and ensuring that those in need receive the assistance that they are entitled to.

Craig Dyer
January 20, 2010
RE: 2010 County Budget for Social Services
Page 4 of 4

5) Internal Charges for Overhead Costs: Additional work is required in this area, in determining what is appropriately contained in the shared costs, and what related support is best paid for directly by each municipality. In addition, the Province, in conjunction with AMO has undertaken a review of administrative costs for Social Services, as part of the Municipal Fiscal Service Delivery Review. The City and County may be able to benefit from that research. The County's approach of addressing any changes to these costs as an in-year variance is acceptable to the City, as it is unlikely that this matter will be resolved before the County finalizes its 2010 budget.

I trust that this correspondence is of assistance to the County in developing recommendations to the City on opportunities for reduction to the City's 2010 levy requirement, and look forward to our meetings over the next few months.

Margaret Neubauer
Director of Finance

Finance Department
Location: 1 Carden Street, Guelph, ON N1H 3A1

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Cc: City of Guelph Council
City of Guelph Senior Management Team



THE CORPORATION OF THE COUNTY OF WELLINGTON

SOCIAL SERVICES COMMITTEE

Meeting Room 1,
Dominion Public Building,
Wednesday, January 13, 2010
12:00 p.m.

Present: Warden Ross-Zuj, County Councillors, Gord Tosh (Chairman),
Lou Maieron, Jean Innes
City Councillors, Bob Bell, Maggie Laidlaw, Leanne Piper

Staff: Eddie Alton, Social Services Administrator, Harry Blinkhorn,
Manager of Housing Operations, Shauna Calder, Financial
Analyst, Social Services, Nicole Cardow, Deputy Clerk, Ken
Dehart, Manager, Financial Services, Luisa Della Croce,
Director of Child Care, Andrea Lawson, HR Administrator, Kevin
Mulholland, Construction and Property Manager, Valerie Sauer,
Assistant Social Services Administrator, Melanie Simpson, HR
Generalist, Scott Wilson, CAO.

Absent: Mayor Farbridge

1. DECLARATION OF PECUNIARY INTEREST

There were no declarations of pecuniary interest.

2. FERGUS AFFORDABLE HOUSING

**1/1/10 Moved by Councillor Piper
Seconded by Councillor Maieron**

**That the Fergus Affordable Housing Project Status Report #6 be
received for information.**

Carried

3. 2010 BUDGET

2/1/10 Moved by Warden Ross-Zuj
Seconded by Councillor Bell

That the attached 2010 Operating Budgets and 2010-2014 Capital Budgets for Social Services be approved and forwarded to the Administration, Finance and Personnel Committee, subject to any required budget adjustments arising from the arbitrator's decision; and,

That any adjustments resulting from the pending discussions regarding indirect cost allocations be treated as in-year variances in 2009 and 2010 and reflected in the 2011 and future budgets; and,

That given the \$394, 000 shortfall in the City of Guelph's 2010 budget relating to social services, Guelph City Council be requested to increase its 2010 budget allocation for social services by \$394, 000, or alternatively to identify which programmes and services it wishes the County to not deliver to City residents in 2010 and in the future in order to achieve the City's desire budget level; and,

That County staff make recommendations to the Committee in February 2010 with respect to any required services level reductions in the City of Guelph.

Carried

4. ONTARIO WORKS STATISTICS

The Ontario Works Statistics were received for information.

5. HOUSING CENTRALIZED WAITING LIST STATISTICS

The Housing Centralized Waiting List statistics were received for information.

6. SOCIAL HOUSING RENOVATION & RETROFIT PROGRAMME

3/1/10 Moved by Councillor Laidlaw
Seconded by Councillor Innes

That the SH-10-01 report on the 2009 Social Housing Renovation and Retrofit Programme- Amended Take Up Plan be approved.

Carried

7. SOCIAL HOUSING CAPITAL REPAIR FUND

**4/1/10 Moved by Councillor Bell
Seconded by Warden Ross-Zuj**

That the SH-10-02 report to reallocate reconciled balance of funds under the Social Housing Capital Repair fund to Abbeyfield in the amount of \$7,723.00, and the remaining balance to Guelph Independent Living, be approved.

Carried

8. SOCIAL AND AFFORDABLE HOUSING STRATEGY

**5/1/10 Moved by Councillor Maieron
Seconded by Councillor Innes**

That the SH-10-03 2010 Housing Strategy Update report be received for information.

Carried

**9. ENERGY SAVINGS REPORT FOR COUNTY OWNED SOCIAL HOUSING –
1189 UNITS**

**6/1/10 Moved by Councillor Maieron
Seconded by Councillor Bell**

That the SH-10-04 Energy Savings report on the County owned 1189 units of Social Housing be received for information; and,

That the Social Services Administrator bring a report back to the February 2010 Social Services Committee reporting on the energy consumption of Social Housing units as well as a goal for 2010.

Carried

10. NEW AFFORDABLE HOUSING PROGRAMME EXTENSION – UPDATE REPORT

7/1/10 Moved by Councillor Bell
Seconded by Councillor Maieron

That the CMSM project selection submission by the deadline of February 1, 2010, under the 2009 Canada-Ontario Affordable Housing Programme Extension – new Rental Housing, for the 16 unit supportive transitional housing proposal by Stonehenge Therapeutic Community and the Canadian Mental Health Association, located at 65 Delhi Street, Guelph, and requiring \$1.92 Million in funding, be approved in principle subject to the following conditions:

- 1. A City of Guelph resolution and signed back agreement to enter into an indemnity agreement regarding future liabilities with the Wellington CMSM under the programme for this 16 unit proposal and to be received by the CMSM no later than January 29, 2010;**
- 2. A City of Guelph resolution and completed form 6 outlining any municipal incentives and/or deferrals provided to the proposal and to be received by the CMSM no later than January 29, 2010;**
- 3. Confirmation of land under the programme requirements and to be received by the CMSM no later than January 29, 2010;**
- 4. Confirmation of zoning in place prior to entering into a Contribution Agreement with the proponent;**
- 5. Confirmation of support service funding for the proposal prior to entering into a Contribution Agreement with the proponent;**
- 6. Confirmation of final financial viability and construction readiness prior to entering into a Contribution Agreement with the proponent.**

Carried

8/1/10 Moved by Councillor Bell
Seconded by Councillor Maieron

That the building located at 65 Delhi Street, Guelph, be the priority for the programme.

Motion was lost.

9/1/10

**Moved by Councillor Bell
Seconded by Councillor Maieron**

That the CMSM response to the province by February 1, 2010 deadline for priority ranking of the four proposals approved for submission to the province, be forwarded to both Councils of Wellington and Guelph for their priority ranking response within each municipality, from the following options:

- 1. County of Wellington – 55 units for Phase 2, located at 165 Gordon Street, Fergus**

- 2. City of Guelph**
 - a) 80 units for seniors located at 120 Westmount Road, Guelph.**

 - b) 60 units for seniors located at 70 Wyndham Street South, Guelph**

 - c) 16 units for supportive transitional housing located at 65 Delhi Street, Guelph**

Carried

11. CONSOLIDATED HOMELESSNESS PREVENTION PROGRAMME

10/1/10

**Moved by Councillor Laidlaw
Seconded by Councillor Bell**

That the OW-10-01 report on the Consolidated Homelessness Prevention Programme – 2009 be received for information.

Carried

12. MORATORIUM OF COMMERCIAL AGREEMENTS

11/1/10

**Moved by Councillor Maieron
Seconded by Councillor Laidlaw**

That the Social Services Committee recommend to County Council to lift the moratorium on entering into fee and or wage purchase of

services agreements with licensed commercial operators; and,

That this lift be reviewed by the Committee in one year.

Carried

13. Warden Ross-Zuj congratulated Councillor Laidlaw in recently receiving her doctorate in Nutrition.

14. **NEXT MEETING DATE**

The next meeting of the Social Services Committee will be held on, **Wednesday, February 10, 2010 12:00 p.m., in Meeting Room 1, Dominion Public Building, Guelph**, or at the Call of the Chair.

15. **ADJOURNMENT**

On motion, the meeting adjourned at 1:50 p.m.

GORD TOSH
Chairman
Social Services Committee



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Joint Social Services Committee
From: Craig Dyer, County Treasurer
Date: January 13, 2010
Subject: 2010 Budget - Social Services

Background:

The 2010 Budget package for Social Services is respectfully submitted for the Committee's consideration. The context to these figures is as follows:

1. All municipal funding requirements are based on the existing cost sharing arrangements between the City and County. Potential impacts arising from the arbitrator's decision have not been incorporated.
2. The figures also do not incorporate potential changes resulting from the pending review of indirect cost allocations (general administration, overhead and facility costs). This was a significant issue for the City during the 2009 Budget process and led to the 2009 Budget not being supported by the Guelph representatives on the Committee. The February 2009 committee meeting minutes contains the following:

"The Finance Director for the City of Guelph, Ms. Margaret Neubauer, spoke to the Committee regarding administrative charges in the Social Services budget. The City of Guelph requested that the City and County Treasurers develop a consistent method of allocating administrative costs for shared services."

Discussions took place in the spring of 2009, but were not completed due to time requirements for the arbitration and the City's 2010 Budget process. Discussions between City and County staff are scheduled to begin again shortly, and will need to be completed promptly in order to finalize 2009 and 2010 allocations.

3. The City of Guelph has included in its 2010 budget a provision for social services that is less than the estimate provided by the County in October as part of the 5 year plan discussion, and less than the current budget estimate set out herein. This is summarized on the table on the following page. The estimate for the City included in the 5 year plan was \$23.6 million. The City's 2010 budget figure is \$22.6 million, with its budget document containing the following quote:

"The draft budgets below reflect lower amounts (\$1,010,000) than the County's 2010 5 year forecast presented at its Oct. 14, 2009 meeting, with the reduction to come from a review of non-prescribed services and discretionary service levels. The reductions have been applied as follows: Child Care (\$460,000: maintained at 2009 tax supported level) and Ontario Works (\$552,000)."

During the course of detailed budget preparations, County staff have been able to reduce the 2010 budget figure for the City by approximately \$500,000 to \$23.1 million, a figure which is still \$529,000 higher than the one approved by the City in its budget.



COUNTY OF WELLINGTON

2010 SOCIAL SERVICE BUDGET ESTIMATES FOR CITY OF GUELPH

All figures in \$000's

	Original County Estimate from October 2009	2010 Budget per County	2010 Budget as approved by City	Difference
Ontario Works	\$ 5,601	\$ 5,260	\$ 5,617	\$ 357
ODSP	\$ 2,703	\$ 2,721	\$ 2,703	\$ (18)
Child Care	\$ 2,587	\$ 2,549	\$ 2,163	\$ (386)
Housing	\$ 12,722	\$ 12,611	\$ 12,128	\$ (483)
	\$ 23,613	\$ 23,140	\$ 22,611	\$ (529)

With a difference of \$529,000 between the City and County figures and the City's intent to review discretionary services, it is essential that the City provide the County with a clear indication immediately of which services it wishes the County not to deliver to City residents in 2010 and beyond so that the necessary service changes can be implemented expeditiously.

Attachments:

- Programme information pages
- Proposed 2010 Operating Budget by division
- Proposed 2010-2014 Capital Budget
- Explanation of major budget items
- User fees and charges (previously approved)

Recommendation:

“THAT the attached 2010 Operating Budgets and 2010-2014 Capital Budgets for Social Services be approved and forwarded to the Administration, Finance and Personnel Committee, subject to any required budget adjustments arising from the arbitrator's decision” and

“THAT any adjustments resulting from the pending discussions regarding indirect cost allocations be treated as in-year variances in 2009 and 2010 and reflected in the 2011 and future budgets” and

“THAT given the \$529,000 shortfall in the City of Guelph's 2010 budget relating to social services, Guelph City Council be requested to increase its 2010 budget allocation for social services by \$529,000, or alternatively to identify which programmes and services it wishes the County to not deliver to City residents in 2010 and in the future in order to achieve the City's desired budget level” and

“THAT County staff make recommendations to the Committee in February 2010 with respect to any required service level reductions in the City of Guelph.”

Respectfully submitted,

Craig Dyer, CGA
County Treasurer



COUNTY OF WELLINGTON 2010 BUDGET PROGRAMME OVERVIEW

Programme:	<i>Ontario Works: Income Services</i>
Department:	Social Services
Governance:	Joint Social Services Committee

Programme description

Temporary financial assistance is provided to residents in need while they participate in employment assistance programmes to become employed and achieve self reliance. Income assistance is provided for the purposes of basic needs and shelter as well as other benefits prescribed in the regulations to those applicants who meet mandatory eligibility requirements.

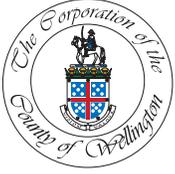
The Cost Recovery Services division is responsible for the programme and financial accountability of the Ontario Works Programmes. These services include eligibility review, assisting the pursuit of child/spousal/sponsorship support, overpayment recovery, facilitation of the mandatory internal review process and case presentation at the Social Benefit Tribunal.

The County provides these services on behalf of both the County of Wellington and the City of Guelph residents. The associated costs are allocated to the County and City in accordance with the actual caseload.

2010 Budget Highlights

- 2010 Ontario Works payments are projected to increase by 20% over 2009 actual costs due to current economic conditions, creating an additional tax levy requirement of \$176,000 for the City and \$157,000 for the County.
- Salary changes include the annualization of two Income Support Caseworkers and the addition of two new Income Support Caseworkers in 2010. An additional .5 Clerk position has also been incorporated.
- The first phase of the ODSP benefit cost upload in 2010 reduces the municipal cost share for this programme from 20% to 10% resulting in cost savings of \$2.66 million (\$1.83 million to the City and \$0.83 million to the County).

Staff Complement (Full time equivalents)	2009	2010
Income Services	38.7	39.8
Total	38.7	39.8



COUNTY OF WELLINGTON 2010 BUDGET PROGRAMME OVERVIEW

Programme:	<i>Employment Services</i>
Department:	Social Services
Governance:	Joint Social Services Committee

Programme description

- **Employment Resource Centre:** Offers a wide range of employment services including computers equipped with internet access, employment related software, local job postings, photocopying, printing, public telephones and material on employment related topics.
- **Employment Workshops:** Available on numerous employment related topics facilitated by professional staff.
- **Employment Supports:** Training, employment counseling and job seeking resources.
- **Employment Placements:** Paid work placements for clients who are job ready.
- **Community Participation:** Placements within the community that are designed to enhance the clients' general knowledge of work, skills and community involvement.
- **Immigrant Settlement and Adaptation Programme:** Assists newcomers in our community gain access to community services by providing references to economic, social health, cultural, educational, and recreational services, provide assistance with banking and other everyday tasks, providing translation as well as non-therapeutic and employment counseling.

2010 Budget Highlights

- Funding for the Substance Abuse Strategy Committee remains in the budget and is funded with 100% municipal dollars.
- The approved Citizenship and Immigration Canada contract resulted in the hiring of 2.4 new positions to fulfill the contract requirements.
- Funding from the Ministry of Training, Colleges and Universities has been budgeted for only the first quarter of 2010 as the existing contract expires March 31, 2010.

Staff Complement (Full time equivalents)	2009	2010
Employment Services	24.5	28.2
Total	24.5	28.2



County of Wellington

Social Services/Income Service 2010 Operating Budget Estimate

	2009 Prelim Actuals	2009 Budget	2010 Budget	\$chg Budget	% chg Budget
Revenue					
Grants and Subsidies	\$11,471,672	\$12,908,900	\$14,851,000	\$1,942,100	15.0 %
Municipal Recoveries	\$8,168,616	\$8,970,600	\$7,381,700	\$(1,588,900)	(17.7)%
Internal Recoveries	\$89,298	\$96,100	\$90,700	\$(5,400)	(5.6)%
Total Revenue	\$19,729,585	\$21,975,600	\$22,323,400	\$347,800	1.6 %
Expenditures					
Salaries, Wages and Benefits	\$2,956,005	\$2,967,000	\$3,106,400	\$139,400	4.7 %
Supplies, Material & Equipment	\$92,539	\$70,000	\$96,400	\$26,400	37.7 %
Purchased Services	\$220,907	\$207,400	\$204,600	\$(2,800)	(1.4)%
Social Assistance	\$20,361,256	\$21,661,300	\$21,207,200	\$(454,100)	(2.1)%
Transfer Payments	\$53,832	\$40,000	\$166,000	\$126,000	315.0 %
Internal Charges	\$155,031	\$193,100	\$174,200	\$(18,900)	(9.8)%
Total Expenditures	\$23,839,570	\$25,138,800	\$24,954,800	\$(184,000)	(0.7)%
NET OPERATING COST / (REVENUE)	\$4,109,985	\$3,163,200	\$2,631,400	\$(531,800)	(16.8)%
NET COST(REVENUE)	\$4,109,985	\$3,163,200	\$2,631,400	\$(531,800)	(16.8)%



County of Wellington

Social Services/Employment Services 2010 Operating Budget Estimate

	2009 Prelim Actuals	2009 Budget	2010 Budget	\$chg Budget	% chg Budget
Revenue					
Grants and Subsidies	\$1,951,782	\$1,627,100	\$2,284,400	\$657,300	40.4 %
Municipal Recoveries	\$415,839	\$772,200	\$599,300	\$(172,900)	(22.4)%
Internal Recoveries	\$712	\$0	\$0	\$0	0.0 %
Total Revenue	\$2,368,333	\$2,399,300	\$2,883,700	\$484,400	20.2 %
Expenditures					
Salaries, Wages and Benefits	\$2,014,713	\$1,951,600	\$2,289,500	\$337,900	17.3 %
Supplies, Material & Equipment	\$56,385	\$40,700	\$142,700	\$102,000	250.6 %
Purchased Services	\$56,984	\$130,900	\$144,800	\$13,900	10.6 %
Social Assistance	\$308,251	\$300,300	\$321,200	\$20,900	7.0 %
Internal Charges	\$193,678	\$164,600	\$163,000	\$(1,600)	(1.0)%
Total Expenditures	\$2,630,012	\$2,588,100	\$3,061,200	\$473,100	18.3 %
NET OPERATING COST / (REVENUE)	\$261,679	\$188,800	\$177,500	\$(11,300)	(6.0)%
NET COST(REVENUE)	\$261,679	\$188,800	\$177,500	\$(11,300)	(6.0)%



COUNTY OF WELLINGTON

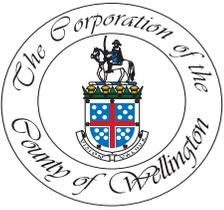
COUNTY OF WELLINGTON 2010 Budget Explanation of Significant Budget Items

Income and Employment Services

- The first phase of the ODSP benefit cost upload in 2010 reduces the municipal cost share for this programme from 20% to 10% resulting in cost savings of \$2.66 million (\$1.83 million to the City and \$0.83 million to the County). The remaining 10% municipal cost will be uploaded in 2011.
- Projections for ODSP benefit costs are based on year end actual expenditures plus a 12% increase for the City and an 8% increase for the County.
- Ontario Works caseload figures for both the City and the County have remained steady over the past several months with the exception of a 4.2% increase in December caseload relative to the November figure. Despite this trend it is estimated that economic recovery has not been fully realized and will take place slowly. County staff are projecting a cost increase of 20% over projected year end actuals. This estimate has been used for discretionary benefits as well.
- The projected increase in OW costs is expected to result in an additional tax levy requirement of \$176,000 for the City and \$157,000 for the County. These cost increases include savings of \$64,700 on the City side and \$17,900 on the County side resulting from the start of the OW upload in 2010.
- Income services administration salaries include the annualization of two caseworkers approved in the 2009 budget. In addition, two new caseworkers have been added to be hired only in the event that projected caseload increases materialize. These new positions have been included in the budget with April and July start dates. An additional 0.5 FTE Clerk position has also been added to the budget.
- Funding for agencies includes \$84,000 for the United Way Poverty position as approved by this committee to be funded using 100% municipal dollars. The cost is apportioned 75% to the City and 25% to the County
- The approved Citizenship and Immigration Canada contract is currently funding 1.6 existing FTE positions as well as 2.4 new positions required to fulfill the contract requirements. In the event that this contract is not renewed in 2011 the municipal cost will increase to fully fund the existing 1.6 positions as well as building costs that are being covered under this contract.
- One time Enhanced Employment Services funding is being used to cover existing costs in the budget. The elimination of this funding March 31, 2011 will increase the municipal cost as these expenses will again be funded by municipal tax levy.
- The budget has been prepared to include only three months of funding from the Ministry of Training, Colleges and Universities as the current contract expires March 31, 2010.
- Overall, net municipal costs for Income and Employment Services in 2010 are projected to decrease by \$1.76 million for the City and \$544,000 for the County

User Fees and Charges

User fees for 2010 were approved by Council in November 2009, and can be adjusted at any time through an amendment to the by-law.



COUNTY OF WELLINGTON 2010 USER FEES AND CHARGES

Programme/Service:	Employment Services
Department:	Social Services
Governance:	Social Services Committee

Description	2009 fee	2010 fee	% change	GST (add/incl /na)	PST (add/incl /na)	* HST (add/incl /na)
Photocopies (> 50 / month)	\$0.05/ pg	\$0.05/ pg	0%	Incl.	Incl.	Incl.
Fax jobs (in province, > 50 / month)	\$0.05/ pg	\$0.05/ pg	0%	Incl.	Incl.	Incl.
Fax jobs (out of province)	\$0.50/ pg	\$0.50/ pg	0%	Incl.	Incl.	Incl.
Printed material (> 50 /month)	\$0.05 / pg	\$0.05 / pg	0%	Incl.	Incl.	Incl.
Interpreter Services	\$22 / hr + mileage	\$22 / hr + mileage	0%	Incl.	N/A	Incl.
Interpreter Services Charged to External Organizations	\$30 / hr + mileage	\$30 / hr + mileage	0%	Incl.	N/A	Incl.

Note:

Authority to impose fees and charges is set out in Part XII of the Municipal Act, S.O. 2001, c. 25 and in by-law #5140-09 of the Corporation of the County of Wellington.

* Effective July 1, 2010 Harmonized Sales Tax will replace the separate taxes of GST and PST



COUNTY OF WELLINGTON 2010 BUDGET PROGRAMME OVERVIEW

Programme:	<i>Wellington and Guelph Housing Services</i>
Department:	Social Services
Governance:	Joint Social Services Committee

Programme description

Wellington and Guelph Housing Services (WGHS) is responsible for the administration and management of 1189 County-owned social housing units; for the administration and funding of 1565 non-profit and co-operative housing units; and for the administration of over 221 housing units under rent supplement agreements. WGHS is responsible for maintaining the Centralized Waiting List, and also administers the Affordable Housing Programme in Guelph and Wellington

Net housing costs are shared with the City of Guelph on a 75% City / 25% County basis, and the Joint Social Services Committee comprised of both City and County councillors governs the programme.

2010 Budget Highlights

- Subsidies provided to Non Profit and Co-operative housing providers are reflective of the current funding model and incorporate 2010 indices announced by the Ministry.
- Staffing changes include the addition of one full time Housing Repairs Coordinator on a two year contract. This position is funded 100% provincially.
- Operating costs for the 1189 units have increased in order to accommodate rising snow removal costs, as well as building repairs on tenant move outs.
- The annualization of the rent bank funding has been incorporated into the budget. Staff have also budgeted to have \$150,000 transferred from the Emergency Capital Reserve to the rent bank over 2010 and 2011 to assist with increased demand.
- A surplus of \$84,000 is projected for the first year of operation of the 55 Affordable Housing units in Fergus. This surplus will be transferred to the County's Housing Development Reserve Fund.

Staff Complement (Full time equivalents)	2009	2010
Wellington-Guelph Housing Services	33.4	34.4
Total	33.4	34.4



County of Wellington

Social Services/Housing Services 2010 Operating Budget Estimate

	2009 Prelim Actuals	2009 Budget	2010 Budget	\$chg Budget	% chg Budget
Revenue					
Grants and Subsidies	\$4,020,814	\$4,475,600	\$4,703,200	\$227,600	5.1 %
Municipal Recoveries	\$9,064,704	\$11,511,600	\$12,270,500	\$758,900	6.6 %
Licenses, Permits and Rents	\$4,631,490	\$5,050,000	\$5,257,900	\$207,900	4.1 %
User Fees & Charges	\$39,700	\$30,000	\$30,000	\$0	0.0 %
Other Revenue	\$187	\$0	\$0	\$0	0.0 %
Internal Recoveries	\$9,611	\$0	\$0	\$0	0.0 %
Total Revenue	\$17,766,505	\$21,067,200	\$22,261,600	\$1,194,400	5.7 %
Expenditures					
Salaries, Wages and Benefits	\$2,290,442	\$2,288,800	\$2,481,100	\$192,300	8.4 %
Supplies, Material & Equipment	\$224,791	\$264,100	\$284,200	\$20,100	7.6 %
Purchased Services	\$4,992,799	\$5,569,400	\$6,022,100	\$452,700	8.1 %
Social Assistance	\$12,094,709	\$13,995,700	\$14,086,400	\$90,700	0.6 %
Transfer Payments	\$1,240,384	\$1,240,400	\$1,236,000	\$(4,400)	(0.4)%
Insurance & Financial	\$141,763	\$177,300	\$187,500	\$10,200	5.8 %
Minor Capital Expenses	\$967,829	\$1,275,000	\$1,706,000	\$431,000	33.8 %
Debt Charges	\$0	\$0	\$150,000	\$150,000	0.0 %
Internal Charges	\$212,994	\$192,400	\$189,500	\$(2,900)	(1.5)%
Total Expenditures	\$22,165,710	\$25,003,100	\$26,342,800	\$1,339,700	5.4 %
NET OPERATING COST / (REVENUE)	\$4,399,205	\$3,935,900	\$4,081,200	\$145,300	3.7 %
Transfers					
Transfers from Reserves	\$(121,640)	\$(99,400)	\$(75,000)	\$24,400	(24.5)%
Transfer to Capital	\$213,200	\$213,000	\$111,000	\$(102,000)	(47.9)%
Transfer to Reserves	\$400,000	\$400,000	\$534,000	\$134,000	33.5 %
Total Transfers	\$491,560	\$513,600	\$570,000	\$56,400	11.0 %
NET COST(REVENUE)	\$4,890,765	\$4,449,500	\$4,651,200	\$201,700	4.5 %



**COUNTY OF WELLINGTON
2000-2014 CAPITAL BUDGET**

Programme/Service: Wellington/Guelph Housing Services
Department: Social Services
Governance: Joint Social Services Committee

Project Description	Gross Project Cost (Uninflated \$000's)					Total Project Cost	Sources of Financing				
	2010	2011	2012	2012	2013		Subsidy & Recoveries	Current Revenues	Reserves	Development Charges	Debentures
1 Housing Services capital improvements (see attached)	\$ 444	\$ 1,166	\$ 1,455	\$ 1,491	\$ 1,140	\$ 5,696	\$ 4,272	\$ 1,424			
2 Phase 2 - 55 Affordable Housing Units	\$ 5,269	\$ 5,269				\$ 10,538	\$ 6,600		\$ 950		\$ 2,988
3 Social Housing Capital Repair Funding	\$ 3,857	\$ 2,964				\$ 6,821	\$ 6,821				
TOTAL	\$ 9,570	\$ 9,399	\$ 1,455	\$ 1,491	\$ 1,140	\$ 23,055	\$ 17,693	\$ 1,424	\$ 950	\$ -	\$ 2,988

SOURCES OF FUNDING BY YEAR	2010	2011	2012	2012	2013	TOTAL
Recoveries	\$ 333	\$ 875	\$ 1,091	\$ 1,118	\$ 855	\$ 4,272
Subsidy	\$ 8,176	\$ 5,245	\$ -	\$ -	\$ -	\$ 13,421
Current Revenues	\$ 111	\$ 292	\$ 364	\$ 373	\$ 285	\$ 1,424
Reserves	\$ 950	\$ -	\$ -	\$ -	\$ -	\$ 950
Development Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debentures	\$ -	\$ 2,988	\$ -	\$ -	\$ -	\$ 2,988
Totals	\$ 9,570	\$ 9,399	\$ 1,455	\$ 1,491	\$ 1,140	\$ 23,055

CAPITAL PLANNING LIST 2010-2014 MAJOR

LOCATION	2010	2011	2012	2013	2014
GUELPH OH-1 A18C, MOHAWK/DELAWARE					
1) Driveway resurfacing					150,000
2) Kitchen cupboard replacement				250,000	
LOCATION TOTAL	0	0	0	250,000	150,000
GUELPH OH-3 A19C, ALGONQUIN/FERNDALE					
1) Replace Electrical Panels				100,000	
2) Kitchen cupboard replacement	114,000	180,000			
3) Fencing Replacement					160,000
LOCATION TOTAL	114,000	180,000	0	100,000	160,000
GUELPH OH-4 A29C, 261 SPEEDVALE					
Re-Roofing Design / Construction	180,000				
LOCATION TOTAL	180,000	0	0	0	0
GUELPH OH-5 A20C, APPLEWOOD/SUNESSET					
1) Kitchen cupboard replacement			255,000		
2) Resurface parking lot 4 Applewood		100,000			
LOCATION TOTAL	0	100,000	255,000	0	0
GUELPH OH-7 A22C, 576 WOOLWICH					
1) Replace balcony railings and dividers	150,000				
LOCATION TOTAL	150,000	0	0	0	0
GUELPH OH-8 A15C, 232 DELHI/33 MARLBOROUGH					
1) Work-Energy Audit/Conv. to Gas					330,000
LOCATION TOTAL	0	0	0	0	330,000
GUELPH OH-9 A07C, WILLOW/DAWSON					
1) Kitchen Cupboard replacement			300,000	300,000	
2) Parking Lot Resurface 39 Dawson					100,000
3) Unit window replacement		236,000	200,000		
LOCATION TOTAL	0	236,000	500,000	300,000	100,000
GUELPH OH-12 A17C, 229 DUBLIN					
1) Work-Energy Audit/Conv. to Gas		350,000			
LOCATION TOTAL	0	350,000	0	0	0
GUELPH OH-13 A03C, 387 WATERLOO					
1) Balcony waterproofing and railings		150,000			
LOCATION TOTAL	0	150,000	0	0	0
GUELPH OH-15 A04C, 130 GRANGE					
1) Work-Energy Audit/Conv. to Gas					250,000
2) Reroofing & MUA units			450,000		
3) Balconies waterproofing/railings		150,000			
LOCATION TOTAL	0	150,000	450,000	0	250,000
GUELPH OH-16 A06C, 411 WATERLOO					
1) Retaining wall replacement					150,000
LOCATION TOTAL	0	0	0	0	150,000
GUELPH OH-17 A31C, 32 HADATI					
1) Balcony repairs/Waterproofing/railings				206,000	
LOCATION TOTAL	0	0	0	206,000	0
TOTAL GUELPH LOCATIONS	444,000	1,166,000	1,205,000	856,000	1,140,000

FERGUS OH-2 A26C					
1)	Re-Roofing Make up air			220,000	
LOCATION TOTALS		0	0	0	220,000
FERGUS OH-3 A08C					
1)	Reroofing Make up air Construction			295,000	
LOCATION TOTAL		0	0	0	295,000
HARRISTON OH-3 51 JOHN ST. A30C					
1)	Building Elevator - Design				
	- Construction			250,000	
LOCATION TOTAL		0	0	250,000	0
PALMERSTON OH-2 A16C					
1)	Balconies waterproofing/railings			120,000	
LOCATION TOTAL		0	0	0	120,000
TOTAL COUNTY LOCATIONS		-	-	250,000	635,000
TOTAL GUELPH LOCATIONS		444,000	1,166,000	1,205,000	856,000
TOTAL ALL LOCATIONS		444,000	1,166,000	1,455,000	1,491,000
MINOR CAPITAL - ALL LCOATIONS		1,706,000	1,034,000	795,000	809,000
TOTAL - ALL LOCATIONS		2,150,000	2,200,000	2,250,000	2,300,000



COUNTY OF WELLINGTON

COUNTY OF WELLINGTON 2010 Budget Explanation of Significant Budget Items

Housing Services

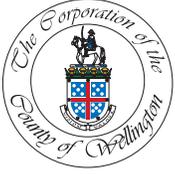
Expenditure:

- A two year contract position for Housing Repairs Coordinator has been included in the budget to assist with the spending and reporting requirements surrounding the provincial capital funds received by the County. This position is funded through 100% Provincial subsidy for the entire contract period.
- The 2010 budget includes an increase of \$170,000 for supplies and purchased services required to operate the 1189 County owned units. This increase will fund rising snow removal costs, as well as higher costs required to repair units following a tenant move out.
- Budget figures for utilities include a 5% increase over prior year estimates. This projection is less than what was included in the preliminary 5 year plan due to some savings being realized in 2009. As well, staff have left property tax projections at the same level as 2009 as expected increases were not realized during the 2009 year.
- The annualization of the rent bank funding has been incorporated into the budget. Staff have also budgeted to have \$150,000 transferred from the Emergency Capital Reserve to the rent bank over 2010 and 2011 to assist with increased demand.
- Subsidies payable to non-profit and co-operative housing corporations have been adjusted to reflect the 2010 index figures released by the province. It is expected that the subsidy cost will increase by approximately \$135,000 or 1.1% over 2009 costs.
- A surplus of \$84,000 is projected for the first year of operation of the 55 Affordable Housing units in Fergus. This surplus will be transferred to the County's Housing Development Reserve Fund.
- The County contribution to the Housing Development Reserve Fund has been increased by \$50,000 in 2010

Net municipal costs in 2010 are projected to increase by \$454,000 for the City and \$201,000 for the County.

Capital Budget

- The attached capital budget includes various improvements at County-owned housing units. The allocation varies from year to year, and along with minor capital spending amounts to an investment of approximately \$2.15 million per year.
- The budget includes an estimated cost for the construction of an additional 55 Affordable Housing units in Fergus split \$5,269 in each of 2010 and 2011. This projection is based on the County receiving \$6.6 million in Provincial and Federal funding for capital costs. This project will need to be reviewed again in the event that this funding is not received.



COUNTY OF WELLINGTON 2010 BUDGET PROGRAMME OVERVIEW

Programme:	<i>Child Care Services</i>
Department:	Social Services
Governance:	Joint Social Services Committee

Programme description

- Day Care Subsidies: Families who financially qualify for subsidy may choose to purchase a space at a Licensed Child Care Programme with which the County of Wellington has a purchase of service agreement.
- Home Child Care Providers: Through our licensed home child care programme providers are recruited throughout the County and the City to provide more flexible child care options, especially for those families preferring a home environment or working irregular hours.
- Special Needs Intake: Intake and screening using standardized developmental assessments to ensure consistent access to specialized support services for children with special needs who meet the criteria established under the Day Nurseries Act.
- Child Care Service Management: The provision of funding for the Wage Subsidy, Special Needs Resource Programmes and planning and overall management of the Child Care Services System.
- The County of Wellington operates two licensed child care centres, Willowdale Child Care and Learning Centre (licensed capacity of 46 spaces) and Mount Forest Child Care and Learning Centre (licensed capacity of 51 spaces). Both centres offer inclusive child care programming with specialized support to children identified with or at risk of developmental delays.

2010 Budget Highlights

- The budget includes the loss of \$454,900 in Early Learning and Child Development funding (formerly called Best Start) in the 2010 calendar year. Staff presented a plan to committee in September 2009 to maintain current service levels and this plan has been incorporated into the budget. Staff restructuring has been completed and the additional municipal cost resulting from this funding loss is estimated at \$232,000 City and \$46,000 County.
- The budget includes continued funding of \$405,000 to be provided to agencies using 100% municipal funding. This programme replaces the National Child Benefit programme, which was eliminated in August of 2008.

Staff Complement (Full time equivalents)	2009	2010
Child Care Services	19.7	17.5
Child Care Centres	21.2	21.8
Total	40.9	39.3



County of Wellington

Social Services/Children Services 2010 Operating Budget Estimate

	2009 Prelim Actuals	2009 Budget	2010 Budget	\$chg Budget	% chg Budget
Revenue					
Grants and Subsidies	\$8,465,329	\$9,062,700	\$8,819,900	\$(242,800)	(2.7)%
Municipal Recoveries	\$1,995,687	\$2,196,000	\$2,548,900	\$352,900	16.1 %
User Fees & Charges	\$230,585	\$195,000	\$210,000	\$15,000	7.7 %
Other Revenue	\$4,699	\$0	\$0	\$0	0.0 %
Internal Recoveries	\$446,247	\$500,600	\$422,700	\$(77,900)	(15.6)%
Total Revenue	\$11,142,546	\$11,954,300	\$12,001,500	\$47,200	0.4 %
Expenditures					
Salaries, Wages and Benefits	\$2,672,036	\$2,662,700	\$2,581,100	\$(81,600)	(3.1)%
Supplies, Material & Equipment	\$112,060	\$133,900	\$171,000	\$37,100	27.7 %
Purchased Services	\$233,644	\$264,200	\$262,300	\$(1,900)	(0.7)%
Social Assistance	\$8,023,230	\$8,810,900	\$8,952,400	\$141,500	1.6 %
Insurance & Financial	\$880	\$700	\$2,700	\$2,000	285.7 %
Minor Capital Expenses	\$10,983	\$10,000	\$10,000	\$0	0.0 %
Internal Charges	\$508,328	\$635,500	\$618,600	\$(16,900)	(2.7)%
Total Expenditures	\$11,561,160	\$12,517,900	\$12,598,100	\$80,200	0.6 %
NET OPERATING COST / (REVENUE)	\$418,614	\$563,600	\$596,600	\$33,000	5.9 %
Transfers					
Transfers from Reserves	\$0	\$(29,900)	\$(10,000)	\$19,900	(66.6)%
Total Transfers	\$0	\$(29,900)	\$(10,000)	\$19,900	(66.6)%
NET COST(REVENUE)	\$418,614	\$533,700	\$586,600	\$52,900	9.9 %



COUNTY OF WELLINGTON

COUNTY OF WELLINGTON 2010 Budget Explanation of Significant Budget Items

Child Care Services

- The budget includes the loss of \$454,900 in Early Learning and Child Development funding (formerly called Best Start) as established by the province. Staff presented a plan to committee in September to maintain current service levels and this plan has been incorporated into the budget. Staff restructuring has been completed and the additional municipal cost resulting from this funding loss is estimated at \$232,000 City and \$46,000 County.
- The budget has been prepared on the assumption that the remaining \$2.358 million in annual Early Learning and Child Development funding will be ending as of March 31, 2011. In order to maintain service levels this funding loss will be phased in by using unconditional provincial grant funding until it is depleted in 2013.
- The budget includes continued funding for agencies totaling \$405,000. This funding is provided through 100% municipal dollars and this programme comes as a result of the elimination of the National Child Benefit in August of 2008.
- Net municipal costs in 2010 are projected to increase over the 2009 budget by \$354,000 for the City and \$53,000 for the County.

User Fees and Charges

User fees for 2010 were approved by Council in September 2009, and can be adjusted at any time through an amendment to the by-law.



COUNTY OF WELLINGTON

2010 USER FEES AND CHARGES

Programme/Service: **Child Care Services**

Department: Social Services

Governance: Social Services Committee

Description	2009 fee	2010 fee	% change	GST (add/incl/na)	PST (add/incl/na)	*HST (add/incl/na)
Willowdale Child Care Centre						
1. Toddlers - full day	\$42.95/day	\$42.95/day	0.0%	N/A	N/A	N/A
2. Toddlers - weekly	\$196.25/wk	\$196.25/wk	0.0%	N/A	N/A	N/A
3. Toddlers - half day with lunch	\$26.00/day	\$26.75/day	2.9%	N/A	N/A	N/A
4. Toddlers - half day no lunch	\$23.00/day	\$23.70/day	3.0%	N/A	N/A	N/A
5. Toddlers - Nursery school	\$13.15/day	\$13.15/day	0.0%	N/A	N/A	N/A
6. Preschool - full day	\$38.10/day	\$38.10/day	0.0%	N/A	N/A	N/A
7. Preschool - weekly	\$172.50/wk	\$172.50/wk	0.0%	N/A	N/A	N/A
8. Preschool - half day with lunch	\$21.50/day	\$22.15/day	3.0%	N/A	N/A	N/A
9. Preschool - half day no lunch	\$18.55/day	\$19.10/day	3.0%	N/A	N/A	N/A
10. Preschool - Nursery school	\$12.70/day	\$12.70/day	0.0%	N/A	N/A	N/A
Mount Forest Child Care Centre						
1. Toddlers - full day	\$32.25/day	\$33.85/day	5.0%	N/A	N/A	N/A
2. Toddlers - weekly	\$146.50/wk	\$153.75/wk	4.9%	N/A	N/A	N/A
3. Toddlers - half day with lunch	\$18.50/day	\$20.35/day	10.0%	N/A	N/A	N/A
4. Toddlers - half day no lunch	N/A	\$18.50/day	0.0%	N/A	N/A	N/A
5. Toddlers - Nursery school	\$11.00/day	\$11.00/day	0.0%	N/A	N/A	N/A
6. Preschool - full day	\$30.25/day	\$31.75/day	5.0%	N/A	N/A	N/A
7. Preschool - weekly	\$138.00/wk	\$144.25/wk	4.5%	N/A	N/A	N/A
8. Preschool - half day with lunch	\$17.20/day	\$18.90/day	9.9%	N/A	N/A	N/A
9. Preschool - half day no lunch	N/A	\$17.20/day	0.0%	N/A	N/A	N/A
10. Preschool - Nursery school	\$9.50/day	\$9.50/day	0.0%	N/A	N/A	N/A
11. JK/SK - full day	\$27.80/day	\$30.55/day	9.9%	N/A	N/A	N/A
12. JK/SK - weekly	\$127.50/wk	\$140.25/wk	10.0%	N/A	N/A	N/A
13. JK/SK - half day with lunch	\$15.90/day	\$17.50/day	10.1%	N/A	N/A	N/A
14. JK/SK - before or after school	\$8.75/day	\$8.75/day	0.0%	N/A	N/A	N/A

Note:

1. Authority to impose fees and charges is set out in Part XII of the Municipal Act, S.O. 2001, c. 25 and in by-law #5132-09 of the Corporation of the County of Wellington.

2. Parent Fees: parents will pay the lesser of the calculated affordable parent fee as determined by the income test (Reg. 262 - Day Nurseries Act) or the daily/weekly user fee listed in the above schedule.

* Effective July 1, 2010 Harmonized Sales Tax will replace the separate taxes of GST and PST

Tax Codes: Add = Tax is in addition to fee; Incl = Tax is included in fee; N/A = Tax not applicable



Overall Budget Impact

The following table provides a comparison of levy impacts for the City and County relative to both the 2009 budget and the figures presented in October 2009 as part of the County’s 5 year planning process.

2010 SOCIAL SERVICES OPERATING BUDGET COMPARISON			
	2009 County Budget	2010 Budget	
		per County 5 year plan (Oct 2009)	per County Budget (Jan 2010)
(all figures in \$000s)			
a) CITY TAX LEVY REQUIREMENT			
Housing Services	\$ 12,150	\$ 12,722	\$ 12,611
Income and Employment Services	\$ 9,742	\$ 8,304	\$ 7,981
Child Care Services	\$ 2,195	\$ 2,587	\$ 2,549
Total	\$ 24,087	\$ 23,613	\$ 23,141
year/year change		-2.0%	-3.9%
b) COUNTY TAX LEVY REQUIREMENT			
Housing Services	\$ 4,450	\$ 4,691	\$ 4,654
Income and Employment Services	\$ 3,352	\$ 2,898	\$ 2,809
Child Care Services	\$ 534	\$ 580	\$ 587
Total	\$ 8,336	\$ 8,169	\$ 8,050
year/year change		-2.0%	-3.4%

County of Wellington - Ontario Works



2006-09 County / City Caseload

Wellington County					Change From Previous Month		Change From Previous Year	
	2006	2007	2008	2009	Cases	%	Cases	%
January	258	286	253	308	24	8.5%	55	21.7%
February	250	291	260	316	8	2.6%	56	21.5%
March	250	297	260	348	32	10.1%	88	33.8%
April	236	290	248	372	24	6.9%	124	50.0%
May	246	283	240	363	-9	-2.4%	123	51.3%
June	257	265	238	377	14	3.9%	139	58.4%
July	253	253	220	379	2	0.5%	159	72.3%
August	253	256	221	378	(1)	-0.3%	157	71.0%
September	249	246	233	371	(7)	-1.9%	138	59.2%
October	257	230	235	370	(1)	-0.3%	135	57.4%
November	267	237	262	370	-	0.0%	108	41.2%
December	273	239	284	398	28	7.6%	114	40.1%
Total	3,049	3,173	2,954	4,350				
Average	254	264	246	363			116	47.3%

City of Guelph					Change From Previous Month		Change From Previous Year	
	2006	2007	2008	2009	Cases	%	Cases	%
January	902	1,031	962	1,159	63	5.7%	197	20.5%
February	894	1,009	954	1,208	49	4.2%	254	26.6%
March	921	1,013	1,001	1,291	83	6.9%	290	29.0%
April	909	973	1,010	1,315	24	1.9%	305	30.2%
May	924	964	1,012	1,352	37	2.8%	340	33.6%
June	919	961	1,011	1,365	13	1.0%	354	35.0%
July	899	922	1,006	1,413	48	3.5%	407	40.5%
August	916	919	987	1,433	20	1.4%	446	45.2%
September	918	897	989	1,421	(12)	-0.8%	432	43.7%
October	899	852	1,017	1,395	(26)	-1.8%	378	37.2%
November	915	867	1,016	1,371	(24)	-1.7%	355	34.9%
December	959	903	1,096	1,416	45	3.3%	320	29.2%
Total	10,975	11,311	12,061	16,139				
Average	915	943	1,005	1,345			340	33.8%

County of Wellington - Ontario Works

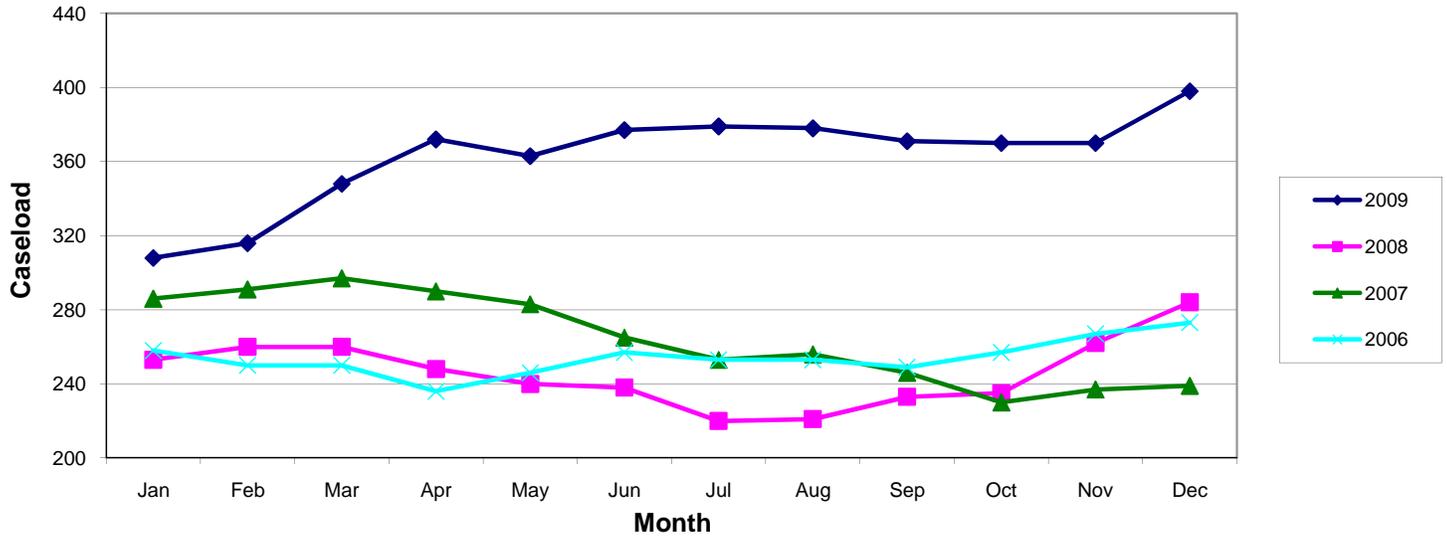


2006-09 County / City Caseload

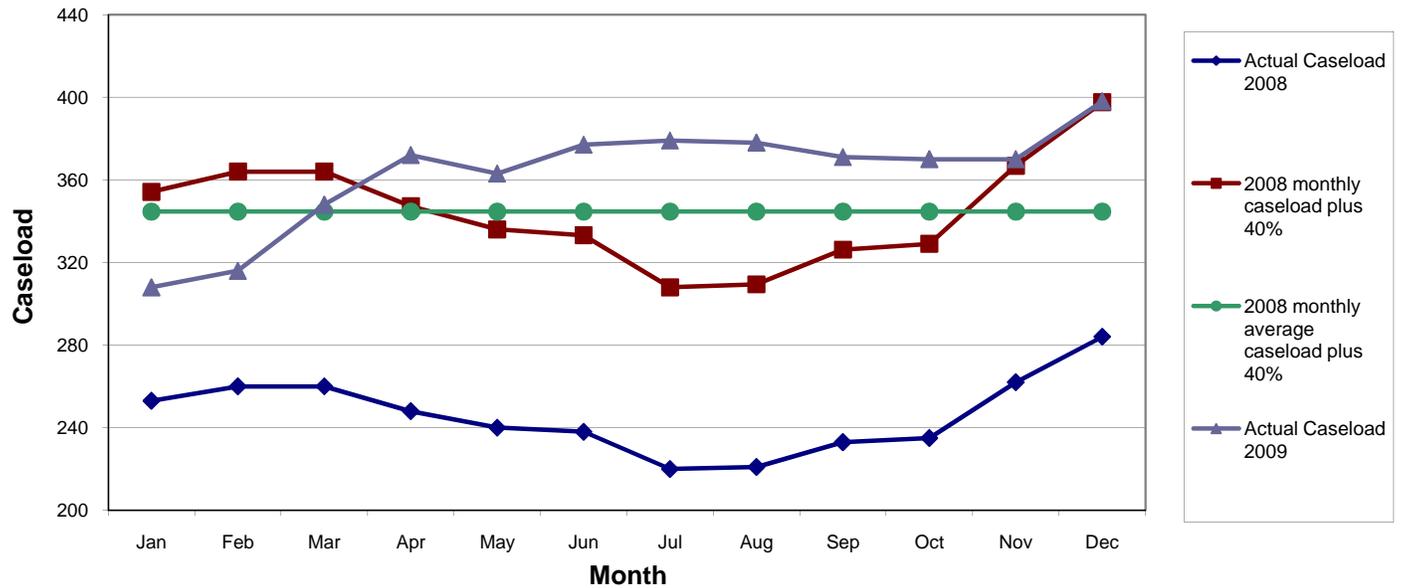
Total caseload					Change From Previous Month		Change From Previous Year	
	2006	2007	2008	2009	Cases	%	Cases	%
January	1,160	1,317	1,215	1,467	87	6.3%	252	20.7%
February	1,144	1,300	1,214	1,524	57	3.9%	310	25.5%
March	1,171	1,310	1,261	1,639	115	7.5%	378	30.0%
April	1,145	1,263	1,258	1,687	48	2.9%	429	34.1%
May	1,170	1,247	1,252	1,715	28	1.7%	463	37.0%
June	1,176	1,226	1,249	1,742	27	1.6%	493	39.5%
July	1,152	1,175	1,226	1,792	50	2.9%	566	46.2%
August	1,169	1,175	1,208	1,811	19	1.1%	603	49.9%
September	1,167	1,143	1,222	1,792	(19)	-1.0%	570	46.6%
October	1,156	1,082	1,252	1,765	(27)	-1.5%	513	41.0%
November	1,182	1,104	1,278	1,741	(24)	-1.4%	463	36.2%
December	1,232	1,142	1,380	1,814	73	4.2%	434	31.4%
Total	14,024	14,484	15,015	20,489				
Average	1,169	1,207	1,251	1,707			456	36.5%

Caseload Split								
	2006		2007		2008		2009	
	City	County	City	County	City	County	City	County
January	77.8%	22.2%	78.3%	21.7%	79.2%	20.8%	79.0%	21.0%
February	78.1%	21.9%	77.6%	22.4%	78.6%	21.4%	79.3%	20.7%
March	78.7%	21.3%	77.3%	22.7%	79.4%	20.6%	78.8%	21.2%
April	79.4%	20.6%	77.0%	23.0%	80.3%	19.7%	77.9%	22.1%
May	79.0%	21.0%	77.3%	22.7%	80.8%	19.2%	78.8%	21.2%
June	78.1%	21.9%	78.4%	21.6%	80.9%	19.1%	78.4%	21.6%
July	78.0%	22.0%	78.5%	21.5%	82.1%	17.9%	78.9%	21.1%
August	78.4%	21.6%	78.2%	21.8%	81.7%	18.3%	79.1%	20.9%
September	78.7%	21.3%	78.5%	21.5%	80.9%	19.1%	79.3%	20.7%
October	77.8%	22.2%	78.7%	21.3%	81.2%	18.8%	79.0%	21.0%
November	77.4%	22.6%	78.5%	21.5%	79.5%	20.5%	78.7%	21.3%
December	77.8%	22.2%	79.1%	20.9%	79.4%	20.6%	78.1%	21.9%
Average	78.3%	21.7%	78.1%	21.9%	80.3%	19.7%	78.8%	21.2%

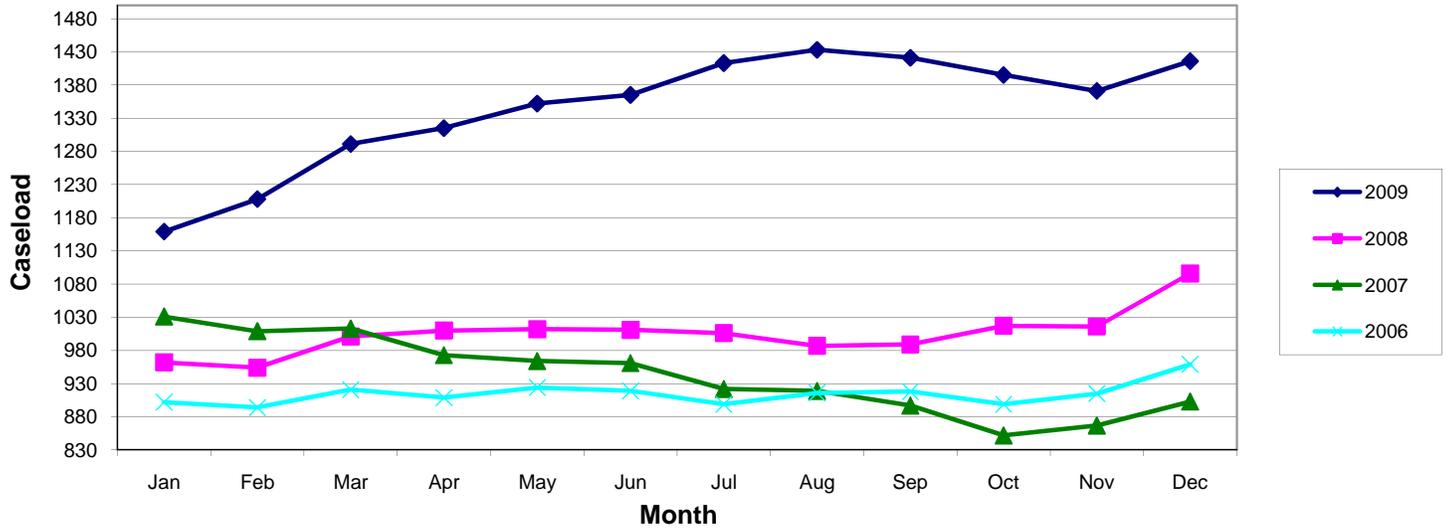
County of Wellington Ontario Works Caseload - January 2006 to December 2009



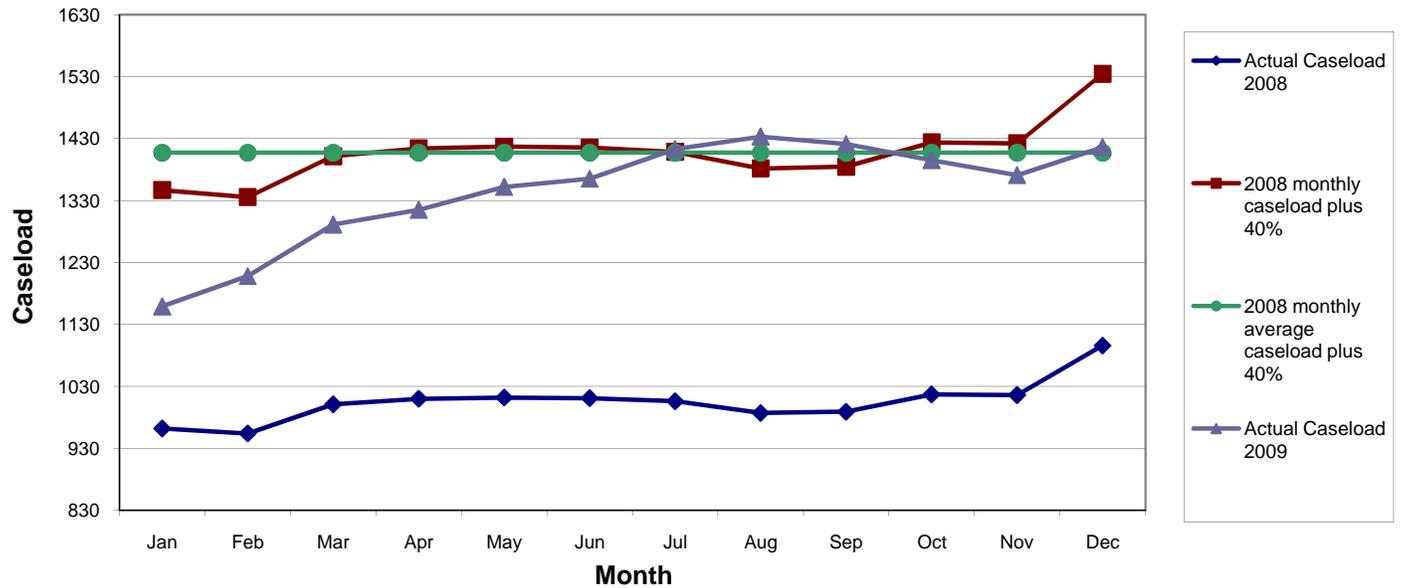
County of Wellington Ontario Works Caseload Budget/Actual Comparison



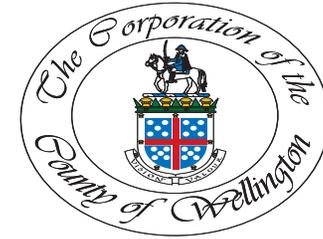
City of Guelph Ontario Works Caseload - January 2006 to December 2009



City of Guelph Ontario Works Caseload Budget/Actual Comparison

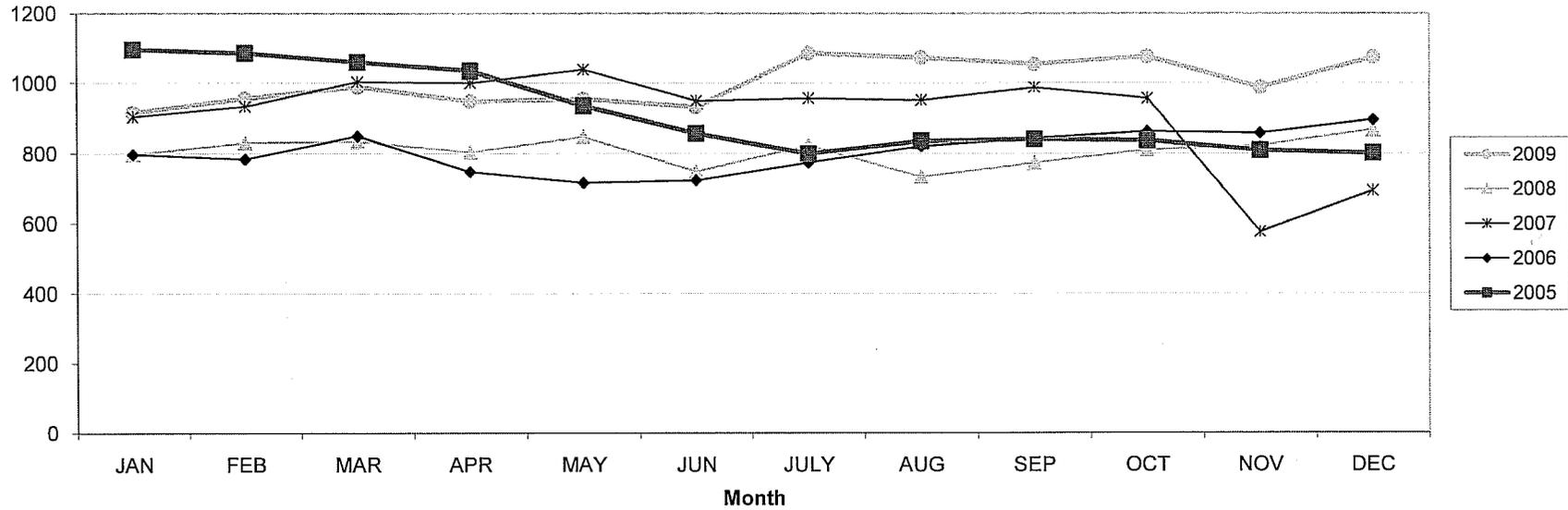


WELLINGTON COUNTY SOCIAL SERVICES
2009 County and City Caseloads and Services



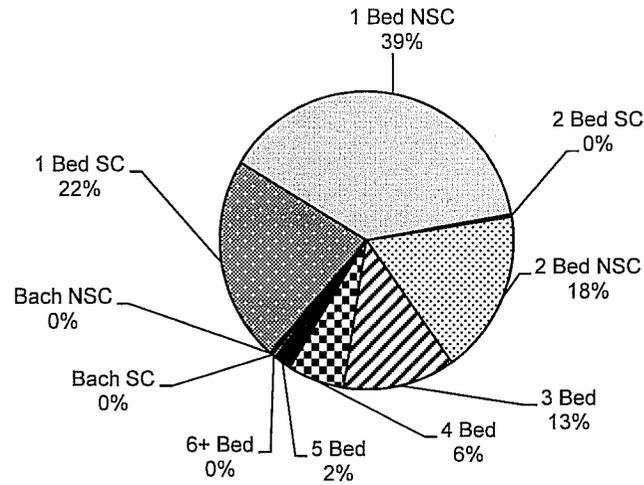
Programmes	Total 1st Quarter	Total 2nd Quarter	Total 3rd Quarter	4th Quarter			Total 4th Quarter
				Oct	Nov	Dec	
<u>Intake</u>							
Number of calls received	1693	1756	1920	543	570		1113
Number of applications completed	968	941	893	257	288		545
Number of cases deemed to be eligible	680	615	609	181	150		331
Number of terminated cases	421	512	559	208	174		382
<u>Consolidated Verification Process</u>							
Number of Support Agreements/Orders	16	26	23	11	6		17
Number of Internal Reviews	27	31	28	11	4		15
Number of Social Benefit Tribunal Hearings	12	1	8	2	4		6
Number of Eligibility Review Interviews	51	77	66	17	22		39
Number of Eligibility Review Interviews Resulting in Terminations	14	29	16	6	14		20
Emergency Energy Funds Issued (Allotment \$32,100)	\$ 16,132.96	\$ 13,215.80	\$ 2,771.24	\$ -	\$ -	\$ -	\$ -
<u>Special Services</u>							
Number of People Accessing Dom Hostel Beds	421	423	439	149	150		299
Number of People Accessing Emergency Hostel Beds	522	493	431	118	104		222
Number of Indigent Burials	8	14	7	2	3		5
Number of L.E.A.P. Cases	57	56	66	18	22		40
Temporary Care Cases	116	128	128	45	43		88
Number of Students	124	138	150	64	64		128
<u>Employment Services</u>							
Number of Employment Services Cases with Participation Agreements	4382	5094	5422	1906	1809		3715
Average Caseload for Employment Services Caseworkers	547	636	678	238	226		464
<u>Employment Workshops</u>							
Number of Workshops provided	50	78	69	16	15		31
Number of Individuals attending workshops	526	675	523	114	139		253
Number of Facilitators One on One Appointments	394	419	330	110	122		232
<u>Employment Resource Centre</u>							
Employment Resource Centre Traffic	13162	12412	12721	4805	4938		9743
<u>Life Skills</u>							
Number of participants on Life Skills caseloads	235	386	398	134	133		267
Average Caseload for Life Skills Caseworkers	110	129	132.67	44.67	44.33		89.00

Centralized Waiting List Statistics January 2005- December 2009

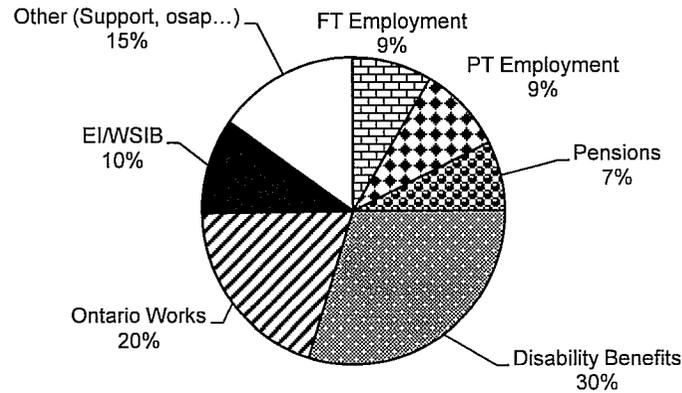


Total Waiting List		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
GUELPH	2009	709	740	764	732	745	726	841	826	814	816	735	793
	2008	635	654	659	626	657	582	647	571	607	632	642	672
	2007	703	728	780	774	807	729	734	743	768	464	464	565
	2006	626	612	666	592	563	572	611	644	657	667	663	694
WELLINGTON	2009	206	216	225	216	209	206	245	247	214	260	253	281
	2008	162	177	176	178	191	167	177	162	166	179	181	196
	2007	200	205	224	226	232	220	223	209	220	202	112	128
	2006	171	172	184	156	153	151	163	177	187	196	195	202
COMBINED TOTAL	2009	915	956	989	948	954	932	1086	1073	1055	1076	988	1074
	2008	797	831	835	804	848	749	824	733	773	811	823	868
	2007	903	933	1004	1000	1039	949	957	952	988	957	576	693
	2006	797	784	850	748	716	723	774	821	844	863	858	896

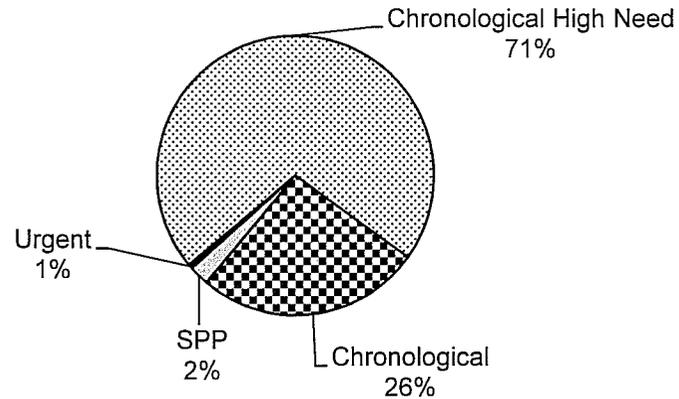
Applicant Demand by Unit Size, December 2009



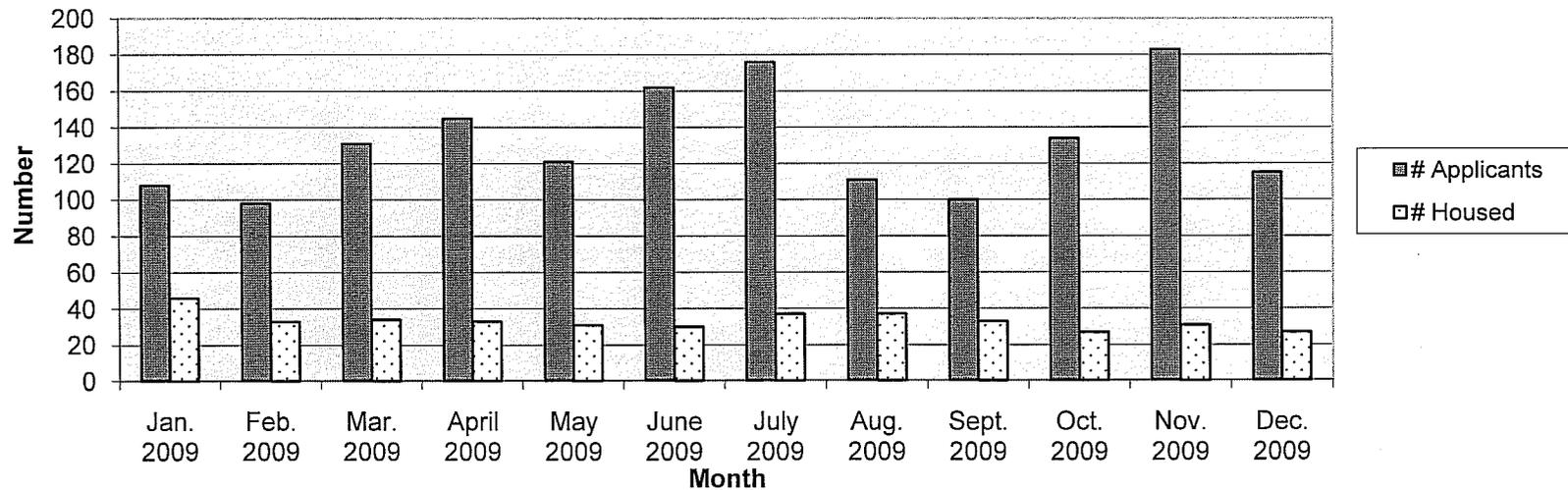
Applicant Income Sources, December 2009



Waiting List by Rank, December 2009



Number of Applicants vs. Number Housed, December 2009



**The Corporation of the City of Guelph
Social Services & Housing Committee
February 16, 2010, 3:00 p.m.**

A meeting of the Social Services & Housing Committee was held on February 16, 2010 in the Council Committee Meeting Room at 3:00 p.m.

Present: Councillors, Findlay, Laidlaw, Piper and Mayor Farbridge

Absent: Councillor Hofland

Also Present: Councillors Bell and Farrelly

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Mrs. L.A. Giles, Director of Information Services; and Ms. D. Black, Assistant Council Committee Coordinator

There was no disclosure of pecuniary interest.

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

SSH-2010 A.2	Discretionary Social Services Programmes
SSH-2010A.3	2010 Budget Adjustments
SSH-2010 C.2	CMSM Social Services Report

1. Moved by Councillor Findlay
Seconded by Councillor Piper

THAT the balance of the February 16, 2010 Social Services & Housing Committee Consent Agenda as identified below be approved:

a) **Draft Committee Mandate and Charter**

Mrs. L.A. Giles

THAT the Social Services and Housing Committee Mandate and Charter be received.

Carried

Discretionary Social Services Programmes

2. Moved by Councillor Piper
Seconded by Councillor Findlay

REPORT

THAT the Social Services Committee recommend to Council that stable funding be maintained in 2010 for the City's portion of discretionary Social Services Programs at the following budget amounts, as recommended by the County:

1. Ontario Works	\$ 590,000
2. Child Care Services	\$ 464,000
3. Housing Services	<u>\$ 53,000</u>
	\$1,107,000

AND THAT, where it is practical to do so, and does not reduce provincial subsidy, payments for discretionary grants and programs be made directly to grant recipients and agencies by the City of Guelph;

AND THAT City staff report back on changes required to scope of the Guelph Investment Strategy so that the Strategy may now include consideration of the discretionary programs and services;

AND THAT City staff be directed to provide further information regarding a process to explore options and impacts of changing Provincial policy and Provincial funding on the delivery of municipally supported child care services for City residents.

Carried

2010 Budget Adjustments

3. Moved by Councillor Piper
Seconded by Mayor Farbridge
Ms. M. Neubauer THAT the report of the Director of Finance dated February 16, 2010 with respect to 2010 Budget Adjustments be received;

AND THAT staff report back on the voluntary downloading of the funding for the Early Learning and Child Development Funding.

Carried

CMSM Social Services Reports

4. Moved by Mayor Farbridge
Seconded by Councillor Piper
Ms. L.A. Giles
Ms. M. Neubauer THAT staff be directed to request from the County, the continuity schedule for the one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital Reserve.

Carried

5. Moved by Mayor Farbridge
Seconded by Councillor Piper
Ms. L.A. Giles
Ms. M. Neubauer THAT staff be directed to request from the County, the status and the business case for the new child care centre and administration centre for child care services proposed in 2012.

Carried

The Committee requested that the following information be obtained from the County of Wellington:

- Proposed increase in municipal costs to cover expenses for the Citizenship and Immigration Canada contract and the one time Enhanced Employment Services programs which will not be renewed in 2011.
- the list of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme – Amended Take up Plan" dated January 13, 2010;
- a breakdown of the 2008 Social Housing Capital Repair Fund – Re-Allocation of \$1,295,262.00

Ms. M. Neubauer

The Director of Finance was directed to provide the relevant excerpts of the Province's Auditor General's Report regarding delivery of service by designated CMSM's for information at the next meeting.

Next meeting: March 15, 2010

The meeting adjourned at 3:22 p.m.

.....
Chairperson

COMMITTEE AGENDA



TO **Social Services & Housing Committee**

DATE March 15, 2010

LOCATION Council Committee Room (Room 112)

TIME 3:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST

CONFIRMATION OF MINUTES – February 16, 2010

PRESENTATIONS (Items with no accompanying report)

a)

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Social Services and Housing Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
SSH-A.4 Committee Mandate and Charter			
SSH-A.5 Child Care: Preliminary Findings And Position			
SSH-A.6 Development Of A Comprehensive Framework			
SSH-A.7 Auditor General's Report In Respect Of Social Services			

SSH-C.3	Guelph Non-Profit Housing Corporation Paisley Road Project	Sandra Ferguson-Escott Harry Blinkhorn		√
SSH-C.4	CMSM Social Services Reports			

Resolution to adopt the balance of the Governance Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

OTHER BUSINESS

NEXT MEETING – April 19, 2010

**The Corporation of the City of Guelph
Social Services & Housing Committee
February 16, 2010, 3:00 p.m.**

A meeting of the Social Services & Housing Committee was held on February 16, 2010 in the Council Committee Meeting Room at 3:00 p.m.

Present: Councillors, Findlay, Laidlaw, Piper and Mayor Farbridge

Absent: Councillor Hofland

Also Present: Councillors Bell and Farrelly

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Mrs. L.A. Giles, Director of Information Services; and Ms. D. Black, Assistant Council Committee Coordinator

There was no disclosure of pecuniary interest.

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

SSH-2010 A.2	Discretionary Social Services Programmes
SSH-2010A.3	2010 Budget Adjustments
SSH-2010 C.2	CMSM Social Services Report

1. Moved by Councillor Findlay
Seconded by Councillor Piper
THAT the balance of the February 16, 2010 Social Services & Housing Committee Consent Agenda as identified below be approved:

a) **Draft Committee Mandate and Charter**

Mrs. L.A. Giles

THAT the Social Services and Housing Committee Mandate and Charter be received.

Carried

Discretionary Social Services Programmes

2. Moved by Councillor Piper
Seconded by Councillor Findlay

REPORT

THAT the Social Services Committee recommend to Council that stable funding be maintained in 2010 for the City's portion of discretionary Social Services Programs at the following budget amounts, as recommended by the County:

1. Ontario Works	\$ 590,000
2. Child Care Services	\$ 464,000
3. Housing Services	<u>\$ 53,000</u>
	\$1,107,000

AND THAT, where it is practical to do so, and does not reduce provincial subsidy, payments for discretionary grants and programs be made directly to grant recipients and agencies by the City of Guelph;

AND THAT City staff report back on changes required to scope of the Guelph Investment Strategy so that the Strategy may now include consideration of the discretionary programs and services;

AND THAT City staff be directed to provide further information regarding a process to explore options and impacts of changing Provincial policy and Provincial funding on the delivery of municipally supported child care services for City residents.

Carried

2010 Budget Adjustments

Ms. M. Neubauer 3. Moved by Councillor Piper
 Seconded by Mayor Farbridge
 THAT the report of the Director of Finance dated February 16, 2010 with respect to 2010 Budget Adjustments be received;

AND THAT staff report back on the voluntary downloading of the funding for the Early Learning and Child Development Funding.

Carried

CMSM Social Services Reports

Ms. L.A. Giles Ms. M. Neubauer 4. Moved by Mayor Farbridge
 Seconded by Councillor Piper
 THAT staff be directed to request from the County, the continuity schedule for the one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital Reserve.

Carried

Ms. L.A. Giles Ms. M. Neubauer 5. Moved by Mayor Farbridge
 Seconded by Councillor Piper
 THAT staff be directed to request from the County, the status and the business case for the new child care centre and administration centre for child care services proposed in 2012.

February 16, 2010

Social Services & Housing Committee

Carried
Page 3

The Committee requested that the following information be obtained from the County of Wellington:

Proposed increase in municipal costs to cover expenses for the Citizenship and Immigration Canada contract and the one time Enhanced Employment Services programs which will not be renewed in 2011.

the list of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme - Amended Take up Plan" dated January 13, 2010;

a breakdown of the 2008 Social Housing Capital Repair Fund - Re-Allocation of \$1,295,262.00

Ms. M. Neubauer

The Director of Finance was directed to provide the relevant excerpts of the Province's Auditor General's Report regarding delivery of service by designated CMSM's for information at the next meeting.

Next meeting: March 15, 2010

The meeting adjourned at 3:22 p.m.

.....
Chairperson

**SOCIAL SERVICES & HOUSING COMMITTEE
CONSENT AGENDA**

March 15, 2010

Members of the Social Services & Housing Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>SSH-2010 A.4) COMMITTEE MANDATE AND CHARTER</p> <p>THAT the Social Services and Housing Committee Mandate and Charter be approved.</p>	Approve
<p>SSH-2010-A.5) CHILD CARE: PRELIMINARY FINDINGS AND POSITION</p> <p>THAT in respect of the more than doubling of child care costs as projected in the County of Wellington's Five (5) year Forecast; that the County of Wellington be advised that at this time, the City of Guelph will not accept any financial liability to replace and/or offset Child Care services and programs whose subsidies are being removed by other levels of government;</p> <p>AND THAT as the Consolidated Municipal Service Manager designated to provide the planning and management of Child Care Services for Guelph-Wellington, that the County be asked to provide the City of Guelph with a Five Year Strategic Child Services Plan; a Plan which provides strategic options that respond to the anticipated consequences of reductions in provincial and federal subsidies, in order to maintain legislated child care requirements, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements;</p> <p>AND THAT the County be asked to review, ensure accuracy and provide any additional information and comments along with detailed statistical information, to supplement the City of Guelph's Child Care Backgrounder (Attachment #1) as included in this report, with the</p>	Approve

additional data requirements to be detailed by City of Guelph staff.

SSH-2010-A.6 DEVELOPMENT OF A COMPREHENSIVE FRAMEWORK

Approve

THAT to assist City staff in evolving a more comprehensive understanding of, and framework for social services, that resources be allocated to a maximum of \$60,000 to provide the City with timely, specialized advice and support, to be funded from the City's salary gapping reserve fund.

Approve

SSH-2010-A.7 AUDITOR GENERAL'S REPORT IN RESPECT OF SOCIAL SERVICES

THAT the City's auditors be requested to provide the City's Audit Committee with recommendations regarding:

- a. the additional scope of audit work required to ensure that the City's portion of shared services costs is calculated accurately;
- b. what documentation and internal audit work the City should be requiring from the County to support payment of Social Services costs; and
- c. independent assurance of the County's documentation and calculations with respect to the impact of the arbitrator's decision on social housing, including an analysis of clients using the homeless shelter, and their subsequent usage of housing, child care and Ontario Works;

AND THAT the City seeks assistance from the Province and the Auditor General's office in ensuring that the appropriate accountability mechanisms, documentation and effective audit procedures are put in place.

B Items for Direction of Committee

C Items for Information

SSH-2010 C.3 GUELPH NON-PROFIT HOUSING PAISLEY ROAD PROJECT

Receive

THAT the report dated March 15, 2010 with respect to Guelph Non-Profit Housing Corporation Paisley Road Project, be received for information.

SSH-2010 C.4 CMSM SOCIAL SERVICE REPORTS

Receive

attach.

Committee Mandate and Charter

Social Services and Housing Committee

A. Mandate for the Social Services and Housing Committee

1 Mandate

The Committee's mandate defines its core areas of management and Responsibility.

Established by Procedural Bylaw (1996)-15200 for Standing Committees, it is the mandate of the Social Services and Housing Committee to ensure efficient and effective delivery of service as it pertains to Guelph residents for the mandatory and discretionary social services, including:

- I. Social Services
- II. Child Care Services
- III. Social Housing
- IV. Homes for the Aged

2. Composition of the Committee

I. The Committee is comprised of four members of Guelph City Council and the Mayor.

II. The Chair is elected by the Committee at their first meeting of each year.

III. Additional staff members or specialists may be called upon to conduct research, communications or any other Committee identified requirements.

B. Committee Charter

The Committee's Charter outlines how the Committee will satisfy the requirements set forth by Council in its Mandate. This Charter comprises:

- Operating principles
- Responsibilities and duties
- Operating procedures

I. I. Operating Principles

All Committee work will be carried out in accordance with provisions of the Municipal Act and other governing legislation and the Committee shall fulfill its responsibilities within the context of the following principles:

i. Committee Values

The Council Code of Conduct, transparency and accountability guide Committee efforts and promote interaction with the highest ethical standards and professionalism while ensuring that the best interests of the community are met. The Council endorsed corporate values of wellness, integrity and excellence will also be observed.

ii. Communications

The Committee Chair will act as the primary spokesperson for any inquiries.

iii. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the Mayor, CAO and other senior staff.

iv. Notice of Meetings

Public notice of all committee meetings will be provided on the City's electronic general calendar at least 72 hours prior to a meeting: by posting a notice in City Hall at least 72 hours prior to the meeting; and by publication in a local paper at least 72 hours prior to the meeting.

It is recognized that some items consistent with Section 239 in the Municipal Act may require a meeting to be closed to the public. The holding of any closed meetings and the general nature of the matter to be considered will be made public to ensure full transparency.

v. Committee Expectations and Information Needs

Meeting minutes will be recorded and distributed to Committee members with each meeting agenda. All decisions that lead to the formulation of recommendations for Council consideration will take place at the Committee meetings only and not through electronic or other outside exchanges. All pertinent information will be shared with all Committee members in advance of meetings. This can include but not be limited to meeting minutes, any supplemental information, public input, media requests etc.

vi. Reporting to Council

The Committee will report to Council with recommendations for approval.

II. Responsibilities and Duties

Specific roles and responsibilities for the Committee as a whole, Chair and Committee members include:

- To receive reports and performance data from the CMSM with respect to the mandatory programs for Social Services, Social Housing, Child Care and Homes for the Aged;
- To receive reports, performance data and recommendations from the CMSM with respect to the provision of discretionary programs relating to Social services, Social Housing, Child

Care and Homes for the Aged;

- Considering and recommending policies governing discretionary expenditures for programs and services provided in Guelph;
 - Ensuring that mandatory programs are being provided by the CMSM according to provincial requirements;
 - Ensuring that there are appropriate management and control procedures in place with mandatory services.
 - Reviewing proposals related to programs funded by the provincial or federal governments.
 - Considering requests for grants to local organizations with respect to discretionary social services and programs being provided in Guelph.
- To maintain order and decorum during meetings, decide questions of procedure, and generally ensure that the committee work proceeds smoothly according to the committee's mandate.
 - To ensure that adequate and appropriate opportunities are provided for input by the public and other key stakeholders at meetings;
 - To engage all members in the decision making process.
Committee members:
 - To read all agenda material, and seek clarification on any matters prior to meetings in order to make the most effective use of the committee's time;
 - To attend meetings and participate fully in all committee work;
 - To debate the issues in an open, honest and informed manner to assist the decision-making process;
 - To actively contribute to reaching committee recommendations and directions;
 - To represent and advocate on behalf of constituents, keeping in mind the entire municipality when considering and addressing issues.

III. Operating Procedures

- i. The Committee shall meet on the second Monday of each

month

- ii. A quorum shall be a majority of the whole committee (3).
- iii. Meeting minutes will be provided to each member of the committee as part of the agenda for meetings.
- iv. The Chair of the Committee shall establish regular meeting dates and be responsible for calling the meetings.
- v. Any rule not stated herein is deemed to be provided in Bylaw 1996-15200 Consolidated Procedural By-law.
- vi. The Chair shall vote on any motion.

COMMITTEE REPORT



TO **Social Services & Housing Committee**

SERVICE AREA Corporate Administration
DATE March 15, 2010

SUBJECT Child Care: Preliminary Findings and Position

REPORT NUMBER

RECOMMENDATION

- That in respect of the more than doubling of child care costs as projected in the County of Wellington's Five (5) year Forecast; that the County of Wellington be advised that at this time, the City of Guelph will not accept any financial liability to replace and/or offset Child Care services and programs whose subsidies are being removed by other levels of government; AND,
- That as the Consolidated Municipal Service Manager designated to provide the planning and management of Child Care Services for Guelph-Wellington, that the County be asked to provide the City of Guelph with a Five Year Strategic Child Services Plan; a Plan which provides strategic options that respond to the anticipated consequences of reductions in provincial and federal subsidies, in order to maintain legislated child care requirements, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements; AND,
- That the County be asked to review, ensure accuracy and provide any additional information and comments along with detailed statistical information, to supplement the City of Guelph's Child Care Backgrounder (Attachment #1) as included in this report, with the additional data requirements to be detailed by City of Guelph staff.

BACKGROUND

Provincial governments are responsible for the provision of child care. The Provincial Ministry of Children and Youth Services and the Ministry of Community and Social Services designate the delivery of their priorities for child care programs to Consolidated Municipal Service Managers (CMSM).

The County of Wellington is the CMSM for the area including the City of Guelph.

Child Care Services for Guelph-Wellington is responsible to provide planning and management of licensed child care in Guelph and Wellington County. Currently, they provide both legislated (mandated) and a number of discretionary, non – legislated programs and services.

REPORT

Information: Development of a Child Care Backgrounder

Attachment #1 Child Care Services Backgrounder provides an overview of the role of the Province, a history of Child Care Services in Guelph-Wellington, the CMSM role; a draft Child Care budget 2009 presented from the City of Guelph’s perspective, and a listing of funding for Agencies. An acronym list is provided.

This Child Care Services Backgrounder originates from the City of Guelph and requires review, comment and additional information to be provided by the CMSM in order to be considered completed. Therefore, City staff is recommending that this Backgrounder be referred to the attention of the CMSM staff for comment and that City staff work with Child Care Services to ensure that detailed statistical data is shared along with the Backgrounder.

Financial Strategic Planning, Transparency & Accountability

As outlined in the Child Care Services Backgrounder, staff is concerned for the long term financial sustainability of child care services and programs in Guelph. The City of Guelph remains responsible for 85% of municipal child cares service costs and is concerned that it does not have a direct voice in the management and control of expenditures and in the quality of the service delivered.

Further, the City is concerned over the projected increase in service costs outlined in the County of Wellington’s 2009 5 year Budget Plan; growing from \$2.73M in 2009 to \$6.18M in 2014.

Therefore, staff are recommending that the CMSM be called upon to provide a Five Year Strategic Plan for the delivery of Child Care Services and that options be included that carefully balance the financial and service delivery expectations of the community and multiple levels of government.

Further, until such a time as the City of Guelph agrees to a range of options to remedy budget shortfalls through service options, the City cannot accept transferring additional child care costs onto its property tax base as a means to replace and/or offset legislated Child Care services and programs, whose subsidies are being removed by other levels of government as a result of policy changes.

CORPORATE STRATEGIC PLAN

Goal 2: Personal and Community Well Being

2.1 A complete community with services and programs for children, youth and adults of all ages;

2.2 Diverse housing options and health care services to meet the needs of current and future generations;

Goal 5: Government and Community Involvement

5.2 A consultative and collaborative approach to community decision making;

5.3 Open, accountable and transparent conduct of municipal business;

5.6 Organizational excellence in planning, management, human resources and people practices; recognized as a top employer in the community.

FINANCIAL IMPLICATIONS

The County's five year plan projects the City of Guelph's portion of Child Care Services to increase from \$2.195 million in 2009 to \$5.373 million in 2014. This is occurring despite the transition to provincially managed full day learning for four and five year olds commencing in 2010.

According to an AMO policy update (January 21, 2010) what this Provincial policy change means to municipalities, including Guelph, is that municipal funding will no longer be required for this age group within the municipal child care system.

However, this is not reflected in the CSM's 5 Year Budget Plan. In addition, federal policy changes have shifted funding away from child care subsidies to tax credits for families; again not reflected in the 5 Year Budget Plan.

DEPARTMENTAL CONSULTATION

Finance
Corporate Services
Community Services
Human Resources

ATTACHMENTS

- (1) Child care background document



Recommended By:

Hans Loewig
Chief Administrative Officer
519-837-5602
hans.loewig@guelph.ca

Child Care Services - Background information for Council

Note: Information contained in this backgrounder regarding Child Care Services in Guelph-Wellington has been extracted from documents provided to the Joint Social Services Committee or to the Arbitration and may not be exhaustive in its explanation.

Provincial role for the provision of child care

- There are two basic kinds of child care in Ontario – licensed and unlicensed (caregivers can look after up to five unrelated children under the age of 10 without needing a licence).
- Licensed child care includes children from birth to 12 years of age.
- The Ministry of Children and Youth Services (MCYS):
 - Sets priority for child care spending in the province
 - Licenses child care programs
 - licensed programs must meet and maintain specific provincial standards set out in the Day Nurseries Act
 - licences are renewed at least every year
 - inspects of all licensed child care programs to make sure that provincial standards are being met
 - investigate complaints
 - monitor operators who are having difficulty meeting licensing standards
 - does not regulate unlicensed child care arrangements but will look into complaints from the public about a caregiver who may be taking care of more than five unrelated children
 - Provides funding for child care programs
- MCYS and the Ministry Community and Social Services have designated the 47 Consolidated Municipal Service Managers (CMSM) as the delivery agents for child care services in the province.
- While there are some municipally-owned and operated child care centres, the majority are privately-owned and operated (i.e. non-profit, co-operative and commercial/for profit).
- Municipally-owned and operated child care centres are required to be fully integrated (i.e. include child with special needs) which is not a requirement for other child care centres.
- CMSMs do not control where privately-owned and operated child care centres are located.

History of Child Care Services in Guelph-Wellington

- Prior to 1969, both the City and the County delivered social services, including day nursery costs, to their respective residents.
- In 1969, Guelph and Wellington entered into a voluntary agreement for the “administration of Welfare Services”, including day nursery costs with costs to be “charged back directly to the municipality responsible”.
- In 1983, the City and the County entered into a voluntary agreement for the “administration of social services” that included daycare with costs to be “charged to the party in whose municipality the recipient of such social services resides”.
- In 1995, the City and the County entered into a further voluntary agreement with costs being “charged to the party in whose municipality the recipient of such social services resides”.
- Services included in the 1995 agreement
 - Subsidized child care spaces (fee subsidy) – costing sharing based on residence of recipient
 - Municipal child care centres – cost sharing based on location of centre
- In 1997, the Province announced a significant realignment (downloading) of service delivery and funding responsibilities to municipalities including child care planning, wage subsidies , and special needs resourcing
- The County of Wellington was designated by the Province as the CMSM for Guelph-Wellington and the delivery agent for child care services.
- Services added in the 1998 (Local Services Realignment) agreement
 - Resources for children with special needs – cost sharing based on location of centre
 - Wage subsidies to child care workers – cost sharing based on location of centre
- There are only five cost sharing arrangements in CMSMs where weighted assessment is **not** used in whole or in a part for funding child care services (out of a total of 47 CMSMS and 10 District Social Service Administration Boards (DSSABs).
 - The CMSM for Guelph-Wellington is one of those five.

Guelph-Wellington CMSM role

Overview

- The CMSM is responsible for four mandatory child care programs:
 - Fee subsidy (80% provincial/20% municipal funding)
 - Wage subsidy (80%/20% municipal provincial funding)
 - Special Needs Resourcing (80% provincial/20% municipal funding)
 - Planning (administration) (50% provincial/50% municipal funding)
- The CMSM administers other provincial child care programs (100% provincial funding).
- The CMSM has assumed responsibility for several discretionary programs and service enhancements (100% municipal funding).
- The CMSM also has responsibility for municipally-owned day nurseries (directly-operated service delivery) and the Private Home Day Care program; municipal participation in directly-operated service delivery is discretionary.

Mandatory Child Care Programs

- Fee subsidy
 - Partial or full fee subsidy for eligible parents in licensed child care programs that have a Purchase of Service Agreement for Fee Subsidy with the County
- Wage Subsidy
 - Wage enhancements to child care program staff working in licensed child care programs with a Purchase of Service for Wage Subsidy Agreement with the County
- Special Needs Resourcing
 - Intake is done by the CMSM
 - Inclusive support services to licensed children care programs is provided through purchase of service agreements with 3 special needs agencies (Trellis, Kidsability and WDG Public Health Wee Talk)
 - Funding is also provided to the Quality Child Care Initiative (housed at the Guelph Community Health Centre and overseen by a community steering committee)
- Administration
 - Director, managers and support staff, general office expenses, staff training and development) responsible for:
 - Planning (development of a three year strategic plan with annual updates)

- Management (fee and wage subsidies, special needs intake and all service agreements)

Provincially-funded Child Care Programs

- Best Start Initiative
 - The Early Learning and Child Care (ELCC) agreement between the Federal and Provincial governments was cancelled after its first year
 - Funding in 2005/2006 was allocated to each CMSM as an unconditional grant as part of the newly named Best Start initiative
 - Subsequent years funding (comprised of a one-time federal payment and the previously announced provincial funding for 2006/2007), was allocated to each CMSM over 4 years ending in 2009/2010
 - The initiative was renamed the Early Learning and Child Development (ELCD) in 2009/2010.
 - The federal portion of the annual payment ends in April 2010 (\$634,866)
 - The province has provided bridge financing to compensate for this federal funding loss until September 2010 (\$179,962).
 - The province has announced that funding for ELCD for 2010/2011 is a one-time grant only and funding for the Best Start/ELCD program will end in 2011
 - The removal of funding for fee subsidies will result in a wait list for subsidies or a reduction in the level of fee subsidy provided.
 - The funding program has been used for planning, fee subsidy, wage subsidy, wage improvement, special needs and program supports (\$2,653,900 in 2009)
- Other grants – the CMSM administers other Provincial funding programs as they become available for specific purposes. For example:
 - MYCS announced a new allocation of 100% Fee Subsidy funding for 2009/2010 (\$275,800)
 - Minor capital and health and safety grants provided by MCYS

Municipally-funded Discretionary Child Care Programs

- The CMSM manages a variety of discretionary programs (see below for further details). For example:
 - Grants to agencies
 - Cost of living increases to fee subsidies
 - Directly-operated service delivery
 - Mount Forest Child Care and Learning Centre (100% County funded)

- Willowdale Childcare and Learning Centre (100% City funded)
 - Land owned by City; building ownership uncertain at time of writing
 - Building constructed in 1974 with 100% Provincial funding
 - Operated by the CMSM; there appears to be no service agreement in place with the City
 - City held fully responsible for any operating deficit
- Private Home Day Care Program – offers supervised care in private homes (Note: details on how this program is administered and funded were not available when preparing this backgrounder).

Other information

- 60 licensed child care programs
 - 58 centre-based programs including full day childcare, part day preschool and nursery school programs, before and after school programs
 - 2 licensed home child care agencies

Note: Nursery schools are not full time but operate for part of the day, typically not early morning and do not provide any meals. They are not open during the summer so they would not meet the needs of most working parents.

- The Quality Child Care Initiative has two components
 - Enforcement – The Purchase of Service Agreements for Fee and Wage Subsidies establish operating criteria that child care centres must meet in order to be eligible for fee and wage subsidies; CMSM staff review compliance every two years
 - Support – The Quality Child Care Initiative is managed and operated by the Guelph Community Health Centre and provides support to child care centres to achieve prescribe operating criteria. The program is guided by a Steering Committee made up of child care stakeholders in Guelph and Wellington. Total funding and funding sources is not known at time of writing of this backgrounder)
- Provincial share of programs varies but is typically 100%, 80% or 50%
 - Base child care program is funded 80%
 - Best Start program is funded 100%
 - Administration costs are funded 50%
 - All Provincial funding for child care is capped
- Total expenditures 2009 - \$10.6M
- Total net municipal share 2009 - \$2M
- City share 2009 - \$1.7 M (85%)
- County share 2009 - \$336,000 (15%)

- Apportionment methodology for municipal share:
 - Mandatory programs
 - Fee subsidy based on home address of recipient (75% City share)
 - Special needs resourcing based on home address of recipient (86% City share)
 - Wage subsidy based on location of centre (85% City share)
 - Administration (84% City share)

- Home Child Care Program is housed at 15 Douglas Street
- Child Care Services Administration is housed at 21 Douglas Street

- Number of children birth to 6 years in Guelph according to 2006 Census: 9, 659
- Number of centre- based child care spaces for children 0-6, (licensed capacity in Sept 2009): 1,607
- Spaces per 100 children = 16
- The average cost per month of full time care in Guelph and Wellington for:
 - Infants: \$1057
 - Toddlers: \$838
 - Pre- schoolers: \$744

Source: The Well –being of children ages birth to six: A report card for Wellington Dufferin Guelph (Fall 2009) (www.wdgreportcard.com)

Child Care Budget

- The information below is derived from the 2009 5 year plan and presented from a City perspective
- Discretionary funding highlighted in **bold**
- The star (*) indicates discretionary funding to compensate for the lack of cost of living increases provided by the Province for fee subsidies.

Subsidized Child Care Spaces Provincial funding 2010 City Discretionary Share

Purchased day nursery services	80%		
PHDC/Fee Subsidy Provider Increase	0%	*	\$219,000
OW Formal Childcare	80%		
ELCC Fee Subsidy	80%		
ELCC Fee Subsidy Provider Increases	0%	*	\$79,000
Best Start Fee Subsidy	100%		
One time fee subsidy	100%		

Subsidized Child Care Worker Wages

Wage Subsidy	80%
Pay Equity	100%
ELCC Wage Subsidy	80%
Best Start Wage Subsidy	100%
Best Start Wage Improvement – non profit	100%
Best Start Wage Improvement – commercial	100%

Support for Children with Special Needs

Special Needs	80%		
Special Needs Provider Increases	0%	*	\$98,000
ELCC Special Needs	80%		
ELCC Special Needs Provider Increases	0%	*	\$26,000
Best Start Special Needs	100%		

Administration

Private Home Day Care Program	80%
Child Care Services	not provided
Special Needs	not provided
Best Start	100%

County-operated Child Care Centres

Willowdale Childcare Centre	0%		\$136,000
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Funding for Agencies

Grants to Agencies (National Child Benefit)	0%	\$189,000
Guelph Community Health Centre Program	0%	\$60,000
Neighbourhood Coalition	0%	\$75,000

Breakdown of Funding for Agencies *Note 1*

• Neighbourhood Support Coalition	\$75,000
• Guelph Community Health Care Centre – Data Analysis Coordinator	\$15,098
• Childrens’ Foundation – Recreation Funding	\$21,748
• Guelph Community Health Centre – Early Learning Programs	\$80,100
• Growing Great Kids Network	\$9,613
• Guelph Community Health Centre – Quality Child Care Initiative QCCI	\$51,750 <i>Note 2</i>
• Guelph Community Health Centre – Garden Fresh Box	\$27,000
• Wellington Dufferin Guelph Public Health – Dental Program	\$10,500
• Wellington Dufferin Guelph Public Health Wee Talk/Action Read	\$18,000
• Guelph Wellington Women in Crisis	<u>\$13,500</u>
Total	\$322,309

Note 1: The National Child Benefit was a poverty reduction program so not all of the allocations are for child care (e.g. Garden Fresh Box). The program was cancelled in 2008 and was continued using 100% municipal funding for a period of 5 years. The allocation is currently in its 3 year.

Note 2: Best Start MYCS funding also comes through Special Needs Resourcing for QCCI. Total funding for the GCCI and the breakdown of funding sources is not known at time of writing of this backgrounder.

Recent Events

- In 2009, the City sought to change the cost sharing methodology from “residence” for fee subsidy and “location” for wage subsidy and special needs resources to weighted assessment for those costs and administration costs to bring Guelph and Wellington property taxpayers in alignment with the majority of municipal property taxpayers in Ontario.
- In January 2010, the Arbitrator ruled no change in the funding methodology.
- The information obtained during the arbitration has raised additional questions for the City regarding the governance of child care services.

Acronyms

MCYS – Ministry of Children and Youth Services

CMSM – Consolidated Municipal Service Manager

PHDC – Private Home Day Care

ELCC – Early Learning and Child Care (subsequently Best Start)

ELCD – Early Learning and Child Development (formerly Best Start)

OW – Ontario Works

LRS – Local Services Realignment

QCCI – Quality Child Care Initiative

COMMITTEE REPORT



TO **Social Services & Housing Committee**

SERVICE AREA Corporate Administration

DATE March 15, 2010

SUBJECT **Development of a Comprehensive Framework**

REPORT NUMBER

RECOMMENDATION

That to assist City staff in evolving a more comprehensive understanding of, and framework for social services, that resources be allocated to a maximum of \$60,000 to provide the City with timely, specialized advice and support, to be funded from the City's salary gapping reserve fund.

REPORT

The City of Guelph strives to 'make a difference' and at times, to achieve this goal, it requires the assistance of specialized third party professionals to provide unbiased information, in-depth advice and support to civic staff.

As staff continue to develop their knowledge of and appreciation for the complexities of multi-government delivery of social services, they are experiencing pressure to develop a more comprehensive framework of shared and detailed knowledge, and a tool to assist in future decision making and evaluation.

Further pressure is arising due to the growing impact of the last 2 years of tight economic reductions which impact directly on our residents.

It is therefore recommended that to move forward, funding be allocated to a maximum of \$60,000 to secure in the immediate short term period, specialized third party advice and support to staff in the area of child care, social housing, Ontario Works, legal and legislated policy matters and financial analysis.

CORPORATE STRATEGIC PLAN

Goal 2: Personal and Community Well Being

2.1 A complete community with services and programs for children, youth and adults of all ages;

2.2 Diverse housing options and health care services to meet the needs of current and future generations;

Goal 5: Government and Community Involvement

5.2 A consultative and collaborative approach to community decision making;

5.3 Open, accountable and transparent conduct of municipal business;

5.6 Organizational excellence in planning, management, human resources and people practices; recognized as a top employer in the community.

FINANCIAL IMPLICATIONS

It is recommended that funding in the amount of \$60,000 for specialized consulting expertise, be funded from the salary gapping reserve fund.

DEPARTMENTAL CONSULTATION

Finance
Corporate Services
Community Services
Human Resources



Recommended By:

Hans Loewig
Chief Administrative Officer
519-837-5602
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COMMITTEE REPORT



TO **Social Services & Housing Committee**

DATE March 15, 2010

SUBJECT Auditor General's Report in respect of Social Services

REPORT NUMBER

RECOMMENDATIONS

1. **THAT** the City's auditors be requested to provide the City's Audit Committee with recommendations regarding:
 - a. the additional scope of audit work required to ensure that the City's portion of shared services costs is calculated accurately,
 - b. what documentation and internal audit work the City should be requiring from the County to support payment of Social Services costs, and
 - c. independent assurance of the County's documentation and calculations with respect to the impact of the arbitrator's decision on social housing, including an analysis of clients using the homeless shelter, and their subsequent usage of housing, child care and Ontario Works, and
2. **THAT** the City seek assistance from the Province and the Auditor General's office in ensuring that the appropriate accountability mechanisms, documentation and effective audit procedures are put in place.

SUMMARY

At the February Social Services & Housing Committee meeting, staff were directed to provide relevant excerpts from the December 7, 2009 Ontario Auditor General's Report relating to social services delivered by designated CMSM's.

Extracts from the Report, being a general overview of the work of the Auditor General's office and key findings and recommendations on the Ontario Disability Support Program (ODSP), the Ontario Works Program and Social Housing, are attached as Appendices to this report.

REPORT

Ontario Works and ODSP

The Auditor General's report identified a number of concerns including the confirmation of eligibility, concerns with an increase in unrecovered overpayments and concerns with the reliability of the SDMT software used by all Ontario CMSM's to administer the Ontario Works Programs. A number of Ontario CMSM's in the Province were included in the Auditor General's audit, but they did not include the County of Wellington.

Similar issues were noted with the ODSP expenditures. The ODSP expenditures are administered by the Province, and the cost of the program is deducted from subsidy monies that the Province sends to the County, whereas Ontario Works payments are administered directly by the County.

Of particular concern are the Auditor General's comments regarding the reliability and known deficiencies in the SDMT software. The Auditor General notes that these deficiencies have existed for many years and that unexplained errors and omissions occur, even after many system enhancements. The Auditor General also notes that the Province has designated the SDMT system as a priority as part of its project to remediate high-risk applications.

The SDMT system is the software which the County, like all Ontario CMSM's, uses to input Ontario Works client information including addresses. Address information has been a key piece of information used in determining the City's share of Ontario Works costs.

In addition to concerns identified in the Auditor General's report surrounding reliability of data with respect to potential overpayments to recipients, the internal controls surrounding the accurate input, data processing and maintenance of client information are of particular concern in the City's case, because residence is the key determinant in whether the City or the County pays for the client's costs, and related administration costs. One address error can have an impact of thousands of dollars, and could potentially continue for many years.

As the designated CMSM for the Wellington/Guelph service area, the County of Wellington has included in its 2009 Social Services budget, \$23.1 million of City municipal tax support, after deducting user fees and Provincial subsidy. This represents approximately 15% of the City's 2009 municipal tax levy.

At the City's recent Audit Committee meeting, the City's auditors indicated that their audit work in assessing Social Services expenditures reimbursed to the County was primarily limited to verifying payment of the County's invoices.

In light of the additional risks regarding overpayments and software reliability, and the decision of the arbitrator to apportion costs for all social services based on actual costs, with the allocation based on the residence or prior residence of the service recipient, ***it is recommended that the City's auditors be requested to***

provide the City's Audit Committee with recommendations regarding the additional scope of audit work required to ensure that the City's portion of shared services costs is calculated accurately, and what documentation and internal audit work the City should be requiring to support payment of the County's invoices for Social Services.

SOCIAL HOUSING

The arbitrator's decision with respect to Social Housing is as follows:

"The method for apportioning Social Service Housing will be based on the prior residence of the tenant".

Beginning in 2010, Social Housing costs will be allocated based on "prior residence" of recipient. Prior to 2010, the cost sharing was based on a fixed 75%/25% ratio.

According to the County Treasurer's witness statement presented in the arbitration hearing, address information for Social Housing purposes is stored in the YARDI software, which is also used to manage the Centralized Waiting list. The statement indicates that the County is responsible for the administration and management of 1,189 County-owned social housing units, the administration and funding of 1,565 non-profit and cooperative housing units and the administration of over 225 housing units under rent supplement agreements.

In the witness statement, the County's internal survey of tenant residence analysis of County owned social housing at July 31, 2008 reflected a 73%/27% City/County split with 40 vacancies, and about 200 address changes in the following year. The split of non-profit, co-op and rent supplements between the City and the County is not yet known.

When the housing application form was examined during the arbitration hearing, the prior residence information was not required on the application. Also, recipients coming from shelters or temporary accommodations with friends/family may use the shelter or friends/family mailing address as their prior residence. The City does not know what supporting documentation has been used by the County to verify prior residence. Also, clients may come from prior residences that are not in the City or the County.

It is recommended that the City's auditors be engaged to provide advice on how independent verification of the County's documentation and calculations can be determined with respect to the impact of the arbitrator's decision on Social Housing, including an analysis of clients using the homeless shelters, and their subsequent usage of housing, child care and Ontario Works.

As the City is on the front end of creating a new system which:

- contains additional complexities not present in most CMSM's, due to the arbitrator's decision to use 'actual cost' and 'residence' as the apportioning determinants

-
- the City could be paying somewhere between 73% to 93% of the total housing costs, yet it has no records, has no background in the software and reporting requirements, and is totally reliant on the County for the determination of the City's share.
 - will involve in excess of \$100 million of City taxpayers money for Child Care, Social Services and Housing over a 4 year period,

it is also recommended that the City seek assistance from the Province and the Auditor General's office in ensuring that the appropriate accountability mechanisms, documentation and effective audit procedures are put in place.

City staff require that assistance to establish an efficient approach while ensuring that the County has established the appropriate internal controls to make sure that costs are correctly distributed to each party, what options are available for obtaining independent confirmation that the distribution is correct, and the documentation that should be made available to City in establishing the initial roster of tenants in Social Housing as at January 1, 2010, and how changes would be tracked.

CORPORATE STRATEGIC PLAN

5.3 Open, accountable and transparent conduct of municipal business.

FINANCIAL IMPLICATIONS

The additional audit requirements associated with the arbitrator's decision to apportion costs on the basis of actual costs and address cannot be determined at this time.

DEPARTMENTAL CONSULTATION/CONCURRENCE

The City's auditors have been consulted regarding the impact of the arbitration decision, and they are reviewing the matter.

ATTACHMENTS

Appendix 1: The Office of the Auditor General of Ontario

Appendix 2: Ontario Disability Support Program

Appendix 3: Social Housing

Appendix 4: Ontario Works Program

Original Signed by:

Prepared and Recommended By:

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Chapter 7

The Office of the Auditor General of Ontario

The Office of the Auditor General of Ontario (Office) serves the Legislative Assembly and the citizens of Ontario by conducting value-for-money and financial audits and reviews and reporting on them. By doing this, the Office helps the Legislative Assembly hold the government, its administrators, and grant recipients accountable for how prudently they spend public funds and for the value they obtain, on behalf of Ontario taxpayers, for the money spent.

The work of the Office is performed under the authority of the *Auditor General Act*. In addition, under the *Government Advertising Act, 2004*, the Auditor General is responsible for reviewing and deciding whether or not to approve certain types of proposed government advertising (see Chapter 5 for more details on the Office's advertising review function). Both acts can be found at www.e-laws.gov.on.ca.

General Overview

VALUE-FOR-MONEY AUDITS IN THE ANNUAL REPORT

About two-thirds of the Office's work relates to value-for-money auditing. The Office's value-for-money audits are assessments of how well a given "auditee" (the entity that we audit) manages and administers its programs or activities. The auditees

that the Office has the authority to conduct value-for-money audits of are:

- Ontario government ministries;
- Crown agencies;
- Crown-controlled corporations; and
- organizations in the broader public sector that receive government grants (for example, agencies that provide mental-health services, children's aid societies, community colleges, hospitals, long-term-care homes, school boards, and universities).

The *Auditor General Act* (Act) [in subclauses 12(2)(f)(iv) and (v)] identifies the criteria to be considered in this assessment:

- Money should be spent with due regard for economy.
- Money should be spent with due regard for efficiency.
- Appropriate procedures should be in place to measure and report on the effectiveness of programs.

Note that we assess whether or not the *auditee's* management is evaluating—using appropriate performance measures—the effectiveness of programs and reporting on its findings. It is not part of our mandate to do these things. Rather, our mandate dictates that we report instances where we have noted that the auditee has not satisfactorily done its job in this area.

The Act requires that, if the Auditor General observes instances where the three value-for-money

criteria have not been met, he or she report on them. The Act also requires that he or she report on instances where the following was observed:

- Accounts were not properly kept or public money was not fully accounted for.
- Essential records were not maintained or the rules and procedures applied were not sufficient to:
 - safeguard and control public property;
 - check effectively the assessment, collection, and proper allocation of revenue; or
 - ensure that expenditures were made only as authorized.
- Money was expended other than for the purposes for which it was appropriated.

Assessing the extent to which the auditee was controlling against these risks is technically “compliance” audit work but is generally incorporated into both value-for-money audits and “attest” audits (discussed in a later section). Other compliance work that is typically included in our value-for-money audits is:

- identifying the key provisions in legislation and the authorities that govern the auditee or the auditee’s programs and activities as well as those that the auditee’s management is responsible for administering; and
- performing the tests and procedures we deem necessary to obtain reasonable assurance that the auditee’s management has complied with these key legislation and authority requirements.

Government programs and activities are the result of government policy decisions. Thus, we could say that our value-for-money audits focus on how well management is administering and executing government policy decisions. It is important to note, however, that in doing so we do not comment on the merits of government policy. Rather, it is the Legislative Assembly that holds the government accountable for policy matters. The Legislative Assembly continually monitors and challenges government policies through questions during legisla-

tive sessions and through reviews of legislation and expenditure estimates.

In planning, performing, and reporting on our value-for-money work, we follow the relevant professional standards established by the Canadian Institute of Chartered Accountants. These standards require that we have processes for ensuring the quality, integrity, and value of our work. Some of the processes we use are described below.

Selecting What to Audit

The Office audits major ministry programs and activities at approximately five- to seven-year intervals. We do not audit organizations in the broader public sector and Crown-controlled corporations on the same cycle because there are such a great number of them and their activities are so numerous and diverse. Since our mandate expanded in 2004 to allow us to audit these auditees, our audits have covered a wide range of topics in several sectors, including health (hospitals, long-term-care homes, and mental-health service providers), education (school boards, universities, and colleges), and social services (Children’s aid societies and social service agencies), as well as several large Crown-controlled corporations.

In selecting what program, activity, or organization to audit each year, we consider how great the risk is that an auditee is not meeting the three value-for-money criteria and therefore incurring potential negative consequences for the public it serves. To help us choose higher-risk audits, we consider factors such as:

- the results of previous audits and related follow-ups;
- the total revenues or expenditures involved;
- the impact of the program, activity, or organization on the public;
- the complexity and diversity of the auditee’s operations;
- recent significant changes in the auditee’s operations; and

- the significance of the issues an audit might identify.

We also consider whether the benefits of conducting the audit justify the costs of the audit.

Another factor we take into account in the selection process is what work the auditee's internal auditors have completed or planned. Depending on what that work consists of, we may defer an audit or change our audit's scope to avoid duplication of effort. In other cases, we do not diminish the scope of our audit but rely on and present the results of internal audit work in our audit report.

Setting Audit Objectives, Audit Criteria, and Assurance Levels

When we begin an audit, we set an objective for what we want to achieve. We then develop suitable audit criteria that cover the key systems, policies, and procedures that should be in place and operating effectively. Developing criteria involves extensively researching sources such as recognized bodies of experts; other bodies or jurisdictions delivering similar programs and services; management's own policies and procedures; applicable criteria successfully applied in other audits or reviews; and applicable laws, regulations, and other authorities.

To further ensure their suitability, the criteria we develop are discussed with the senior management responsible for the program or activity at the planning stage of the audit.

The next step is designing and conducting tests and procedures to address our audit objective and criteria, so that we can reach a conclusion regarding our audit objective and make observations and recommendations. Each audit report has a section entitled "Audit Objective and Scope," in which the audit objective is stated.

Conducting tests and procedures to gather information has its limitations. We therefore cannot provide what is called an "absolute level of assurance" that our audit work identifies all significant

matters. Other factors also contribute to this. For example, we may conclude that the auditee had a control system in place for a process or procedure that was working effectively to prevent a particular problem from occurring; but auditee management or staff are often able to circumvent such control systems—so we cannot guarantee that the problem will never arise. Also, much of the evidence available for concluding on our objective is more persuasive than it is conclusive, and we must rely on professional judgment in much of our work—for example, in interpreting information.

For all these reasons, the assurance that we plan for our work to provide is at an "audit level"—the highest reasonable level of assurance that we can obtain using our regular audit procedures. Specifically, an audit level of assurance is obtained by interviewing management and analyzing the information it provides; examining and testing systems, procedures, and transactions; confirming facts with independent sources; and, where necessary because we are examining a highly technical area, obtaining expert assistance and advice.

With respect to the information that management provides, under the Act we are entitled to have access to all relevant information and records necessary to the performance of our duties. Out of respect for the principle of Cabinet privilege, we do not seek access to the deliberations of Cabinet. However, the Office can access virtually all other information contained in Cabinet submissions or decisions that we deem necessary to fulfill our responsibilities under the Act.

Infrequently, the Office will perform a review rather than an audit. A review provides a moderate level of assurance, obtained primarily through inquiries and discussions with management; analyses of information management provides; and only limited examination and testing of systems, procedures, and transactions. We perform reviews when, for example, providing a higher level of assurance has prohibitive costs, the *Auditor General Act* does not allow for a certain program or activity

to be audited, or other factors relating to the nature of the program or activity make a review more appropriate than an audit.

Communicating with Management

To help ensure the factual accuracy of our observations and conclusions, staff from our Office communicate with the auditee's senior management throughout the value-for-money audit or review. Before beginning the work, our staff meet with management to discuss the objective and criteria and the focus of our work in general terms. During the audit or review, our staff meet with management to review progress and ensure open lines of communication. At the conclusion of on-site work, management is briefed on the preliminary results of the work. A draft report is then prepared and discussed with the auditee's senior management. The auditee's management provides written responses to our recommendations, and these are discussed and incorporated into the draft report. The Auditor General finalizes the draft report (on which the Chapter 3 section of the Annual Report will be based) with the deputy minister or head of the agency, corporation, or grant-recipient organization, after which the report is published in the Annual Report.

SPECIAL REPORTS

As required by the Act, the Office reports on its audits in an Annual Report to the Legislative Assembly. In addition, the Office may make a special report to the Legislative Assembly at any time, on any matter that, in the opinion of the Auditor General, should not be deferred until the Annual Report.

Two sections of the Act authorize the Auditor General to undertake additional special work. Under section 16, the Standing Committee on Public Accounts may resolve that the Auditor General must examine and report on any matter respecting the Public Accounts. Under section 17, the Legisla-

tive Assembly, the Standing Committee on Public Accounts, or a minister of the Crown may request that the Auditor General undertake a special assignment. However, these special assignments are not to take precedence over the Auditor General's other duties, and the Auditor General can decline such an assignment requested by a minister if he or she believes it conflicts with other duties.

In recent years when we have received a special request under section 16 or 17, our normal practice has been to obtain the requester's agreement that the special report will be tabled in the Legislature on completion and made public at that time.

Our audit of eHealth, which began in fall 2008, was originally planned for inclusion in this Annual Report and was part of a collaborative initiative involving several Canadian auditors general to examine spending and progress on eHealth initiatives federally and in several provinces. However, because public concerns were raised about spending and the use of consultants at the eHealth Ontario agency, the Minister of Health and Long-Term Care requested that we expedite our audit and report it separately under section 17 of the Act.

Accordingly, the Auditor General reported the results of the audit of eHealth to the Minister of Health and Long-Term Care and to the Legislature in early fall 2009.

On August 31, 2009, the Minister of Energy and Infrastructure requested the Auditor General to examine expenses incurred by employees of the Ontario Lottery and Gaming Corporation. The results of this audit will similarly be reported to the Minister and to the Legislature on completion.

ATTEST AUDITS

Attest audits are examinations of an auditee's financial statements. In such audits, the auditor expresses his or her opinion on whether the financial statements present information on the auditee's operations and financial position in a way that is fair and that complies with certain accounting

policies (in most cases, with Canadian generally accepted accounting principles). As mentioned in the overview of value-for-money audits, compliance audit work is often incorporated into attest audit work. Specifically, we assess the controls for managing risks relating to improperly kept accounts; unaccounted-for public money; lack of recordkeeping; inadequate safeguarding of public property; deficient procedures for assessing, collecting, and properly allocating revenue; unauthorized expenditures; and not spending money on what it is intended for.

The Auditees

Every year, we audit the financial statements of the province and the accounts of many agencies of the Crown. Specifically, the Act [in subsections 9(1), (2), and (3)] requires that:

- the Auditor General audit the accounts and records of the receipt and disbursement of public money forming part of the province's Consolidated Revenue Fund, whether held in trust or otherwise;
- the Auditor General audit the financial statements of those agencies of the Crown that are not audited by another auditor;
- public accounting firms that are appointed auditors of certain agencies of the Crown perform their audits under the direction of the Auditor General and report their results to the Auditor General; and
- public accounting firms auditing Crown-controlled corporations deliver to the Auditor General a copy of the audited financial statements of the corporation and a copy of the accounting firm's report of its findings and recommendations to management (typically contained in a management letter).

Chapter 2 discusses this year's attest audit of the province's consolidated financial statements.

We do not discuss the results of attest audits of agency and Crown-controlled corporations in this report. Agency legislation normally stipulates that

the Auditor General's reporting responsibilities are to the agency's board and the minister(s) responsible for the agency. Our Office also provides copies of the audit opinions and of the related agency financial statements to the deputy minister of the associated ministry, as well as to the Secretary of the Treasury Board.

Where an agency attest audit notes areas where management must make improvements, the auditor prepares a draft management letter and discusses it with senior management. The letter is revised to reflect the results of that discussion. After the draft management letter is cleared and the agency's senior management responds to it in writing, the auditor prepares a final management letter, which is usually discussed with the agency's audit committee. If a matter were so significant that we felt it should be brought to the attention of the Legislature, we would include it in an annual report.

Exhibit 1, Part 1 lists the agencies that were audited during the 2008/09 audit year. The Office currently contracts with public accounting firms to audit a number of these agencies on the Office's behalf. Exhibit 1, Part 2, and Exhibit 2 list the agencies of the Crown and the Crown-controlled corporations, respectively, that public accounting firms audited during the 2008/09 audit year.

OTHER STIPULATIONS OF THE AUDITOR GENERAL ACT

The *Auditor General Act* came about with the passage, on November 22, 2004, of Bill 18, the *Audit Statute Law Amendment Act*, which received Royal Assent on November 30, 2004. The purpose of Bill 18 was to make certain amendments to the *Audit Act* to enhance the ability of the Office to serve the Legislative Assembly. The most significant amendment contained in Bill 18 was the expansion of the Office's value-for-money audit mandate to organizations in the broader public sector that receive government grants. This *2009 Annual Report* marks the fourth year of our expanded audit mandate.

Appointment of Auditor General

Under the Act, the Auditor General is appointed as an officer of the Legislative Assembly by the Lieutenant Governor in Council—that is, the Lieutenant Governor appoints the Auditor General on and with the advice of the Executive Council (the Cabinet). The appointment is made “on the address of the Assembly,” meaning that the appointee must be approved by the Legislative Assembly. The Act also requires that the Chair of the Standing Committee on Public Accounts—who, under the Standing Orders of the Legislative Assembly, is a member of the official opposition—be consulted before the appointment is made (for more information on the Committee, see Chapter 6).

Independence

The Auditor General and staff of the Office are independent of the government and its administration. This independence is an essential safeguard that enables the Office to fulfill its auditing and reporting responsibilities objectively and fairly.

The Auditor General is appointed to a 10-year, non-renewable term, and can be dismissed only for cause by the Legislative Assembly. Consequently, the Auditor General maintains an arm’s-length distance from the government and the political parties in the Legislative Assembly and is thus free to fulfill the Office’s legislated mandate without political pressure.

The Board of Internal Economy—an all-party legislative committee that is independent of the government’s administrative process—reviews and approves the Office’s budget, which is subsequently laid before the Legislative Assembly. As required by the Act, the Office’s expenditures relating to the 2008/09 fiscal year have been audited by a firm of chartered accountants, and the audited financial statements of the Office are submitted to the Board and subsequently must be tabled in the Legislative Assembly. The audited statements and related discussion of expenditures for the year are presented at the end of this chapter.

CONFIDENTIALITY OF WORKING PAPERS

In the course of our reporting activities, we prepare draft audit reports and management letters that are considered to be an integral part of our audit working papers. It should be noted that these working papers, according to section 19 of the *Auditor General Act*, do not have to be laid before the Legislative Assembly or any of its committees. As well, because our Office is exempt from the *Freedom of Information and Protection of Privacy Act*, our draft reports and audit working papers, which include all information obtained during the course of an audit from the auditee, cannot be accessed from our Office, thus further ensuring confidentiality.

CODE OF PROFESSIONAL CONDUCT

The Office has a Code of Professional Conduct to encourage staff to maintain high professional standards and ensure a professional work environment. The Code is intended to be a general statement of philosophy, principles, and rules regarding conduct for employees of the Office, who have a duty to conduct themselves in a professional manner and to strive to achieve the highest standards of behaviour, competence, and integrity in their work.

The Code explains why these expectations exist and further describes the Office’s responsibilities to the Legislative Assembly, the public, and our auditees. The Code also provides guidance on disclosure requirements and the steps to be taken to avoid conflict-of-interest situations. All employees are required to complete an annual conflict-of-interest declaration.

Office Organization and Personnel

The Office is organized into portfolio teams—a framework that attempts to align related audit entities and to foster expertise in the various areas

of audit activity. The portfolios, which are loosely based on the government's own ministry organization, are each headed by a Director, who oversees and is responsible for the audits within the assigned portfolio. Assisting the Directors and rounding out the teams are a number of audit Managers and various other audit staff (see Figure 1).

The Auditor General, the Deputy Auditor General, the Directors, and the Manager of Human Resources make up the Office's Senior Management Committee.

Canadian Council of Legislative Auditors

This year, Alberta hosted the 37th annual meeting of the Canadian Council of Legislative Auditors (CCOLA) in Edmonton, from September 13 to 15, 2009. This annual gathering has, for a number of years, been held jointly with the annual conference of the Canadian Council of Public Accounts Committees. It brings together legislative auditors and members of the Standing Committees on Public Accounts from the federal government and the provinces and territories, and provides a useful forum for sharing ideas and exchanging information.

International Visitors

As an acknowledged leader in value-for-money auditing, the Office periodically receives requests to meet with visitors and delegations from abroad to discuss the roles and responsibilities of the Office and to share our value-for-money and other audit experiences with them. During the audit year covered by this report, the Office met with legislators/public servants/auditors from China, Ghana, Kenya, the Republic of Serbia, and the Russian Federation, as well as a delegation from the Commonwealth nations.

Results Produced by the Office This Year

The 2008/09 fiscal year was a challenging but successful year for the Office.

In total, we conducted 14 value-for-money and special audits this year, together with a review of the status of the unfunded liability of the Workplace Safety and Insurance Board. Our value-for-money audits examined a wide range of services of importance to Ontarians. They included bridge safety, telehealth, eHealth, consumer protection, research funding, and efforts to measure and raise student literacy and numeracy. We also examined programs that serve some of Ontario's most vulnerable citizens, such as infection control in long-term-care homes, assistive devices, two major income support programs (the Ontario Disability Support Program and Ontario Works), and social housing. Also—for the first time—we looked at the whole issue of government user fees.

Several of the value-for-money audits we carried out this year explored how the province oversees services that it partially pays for but that municipalities provide. The delivery of Ontario Works assistance, the provision and maintenance of social housing, and the safety and maintenance of municipal bridges are examples. Our work in the broader public sector included examining the infection-control practices in three long-term-care homes, visiting several school boards to discuss efforts to improve student achievement by them and the Ministry of Education's Literacy and Numeracy Secretariat, and auditing the administration of student testing conducted by the Education Quality and Accountability Office. We also spoke with several educational institutions about research funding and had discussions with both educational institutions and hospitals on the OntarioBuys program.

As mentioned in the earlier Special Reports section, we issued a special report on Ontario's Electronic Health Records Initiative in early fall 2009.

Chapter 3

Section
3.09

Ministry of Community and Social Services

**Ontario Disability
Support Program****Background**

The Ministry of Community and Social Services (Ministry) administers two acts under which it provides social assistance to approximately 450,000 individuals as well as their qualifying family members for a total of more than 700,000 people. Under provisions of the *Ontario Works Act*, the Ministry provides employment and temporary income support to some 200,000 individuals. This support is provided with the aim of helping recipients find and maintain paid employment. Under the *Ontario Disability Support Program Act (Act)*, the subject of this audit, the Ministry provides income and employment support to approximately 250,000 individuals with eligible disabilities as defined by the Act.

Eligible Ontario Disability Support Program (ODSP) disabilities include mental disabilities such as psychoses (for example, schizophrenia), neuroses (for example, depression), and developmental delays. Physical disabilities include diseases of the musculoskeletal system (for example, osteoarthritis), diseases of the nervous system (for example, Parkinson's disease), and diseases of the circulatory system (for example, congenital heart disease). Although Ontario Works program income support is meant to be temporary, most ODSP recipients suffer from chronic disabilities and receive assist-

ance for many years. In some cases, they receive income support for the rest of their lives.

To be eligible for ODSP income support:

- all applicants must first demonstrate financial need by providing evidence that their liquid assets and income levels do not exceed specified amounts; and
- almost all applicants must be assessed to determine if their disability meets the eligibility test established by the Act—no disability assessments are required for people who are receiving Canada Pension Plan disability benefits, for individuals aged 65 and over who are ineligible for Old Age Security, and for individuals residing in prescribed institutions such as psychiatric facilities.

ODSP income support is intended to assist with basic living expenses such as food, shelter, clothing, and personal-needs items. Although employment-support programs are available to ODSP recipients, participation is not required. As a result, relatively few ODSP recipients join such programs.

Income support provided to ODSP recipients is somewhat higher than that provided to Ontario Works recipients. A comparison of typical benefits, all of which are tax-free, between the time of our last audit in 2004 and the 2008/09 fiscal year is shown in Figure 1.

Figure 1: Typical Monthly ODSP Benefits (tax free)

Source of data: Ministry of Community and Social Services

	Single Person		Single Person With One Child ¹		Couple With One Spouse Disabled and One Child ¹	
	2008/09	2003/04	2008/09	2003/04	2008/09	2003/04
basic needs allowance (\$)	566	516	709	772	838	875
maximum shelter allowance (\$)	454	414	714	652	775	707
Maximum ODSP Benefit (\$)	1,020	930	1,423	1,424	1,613	1,582
comparable Ontario Works benefit(\$)	572	520	920	957	1,036	1,030

1. child 12 years of age and under

2. reduction due to the introduction of the Ontario Child Benefit, up to \$50 per month per child

ODSP recipients may qualify for additional assistance, based on established need, for a number of other items, such as:

- health-related necessities, including transportation for medical appointments, medical supplies, special dietary items, and basic dental and vision care; and
- community start-up and maintenance benefits to assist in the cost of establishing a permanent residence.

ODSP is delivered by the Ministry's 44 local offices under the supervision of nine regional offices. Although the cost of ODSP income support is shared between the province (80%) and the municipalities (20%), the municipalities' portion will be reduced to 10% for the 2010 calendar year and eliminated in 2011 and beyond. In 2009, the province began paying 100% of the program's administration costs.

Largely as a result of caseload growth, as illustrated in Figure 2, total annual ODSP benefit payments have risen to more than \$3 billion, a 42% increase since the time of our last audit in 2004.

Since 2002, the Ministry's information technology network, known as the Service Delivery Model Technology (SDMT) system, has supported the administration of both the Ontario Works and ODSP programs. SDMT, developed by a private-sector company at a cost of approximately \$377 million, has been the subject of separate audits reported on in our 1998, 2000, and 2002 annual reports.

Audit Objective and Scope

Our audit objective was to assess whether the Ministry's policies and procedures were adequate to ensure that:

- only eligible individuals received income support and that the income support provided was timely and in the correct amount; and
- the program was delivered with due regard for economy and efficiency.

The scope of our audit included a review and analysis of relevant ministry files, policies, and procedures, as well as interviews with appropriate staff at the Ministry's head office, three regional offices (Toronto, Central East, and Eastern), and the five local offices that we visited. We also held discussions and obtained information from a variety of organizations that are involved with, or have an interest in, the administration of the ODSP program, including two ODSP program client-advocate groups, as well as Legal Aid Ontario (which often represents applicants in their requests for benefits and in appeals before the Social Benefits Tribunal), and the Social Benefits Tribunal (which hears and rules on appeals regarding benefits that have been denied by the Ministry).

Our work emphasized the policies and procedures in place with respect to the administration of the ODSP program during the 2008/09 fiscal year.

Figure 2: Annual ODSP Income-support Expenditures and Related Caseloads

Source of data: Ministry of Community and Social Services

Fiscal Year	Expenditures		Caseload		Average Expenditure Per Case	
	\$billion	% Increase	Caseload	% Increase	\$	% Increase
2008/09	3.025	7.4	253,359	5.3	11,940	2.1
2007/08	2.816	8.0	240,657	5.1	11,700	2.7
2006/07	2.607	7.2	228,885	6.1	11,389	1.0
2005/06	2.433	5.8	215,628	3.6	11,281	2.1
2004/05	2.299	7.9	208,070	2.9	11,049	4.9
2003/04	2.131	—	202,241	—	10,535	—

We concentrated on areas with the largest program expenditures—basic needs and shelter assistance—which together constituted 97% (\$2.93 billion) of total program expenditures.

We reviewed the Ombudsman of Ontario's 2006 report on the Ministry's Disability Adjudication Unit (DAU) that made a number of recommendations, including the need for timelier decision-making and the elimination of a four-month cap on retroactive benefit payments. We also considered the actions taken by the Ministry on these recommendations in planning our audit.

We also reviewed several recent audit reports issued by the Ministry's Internal Audit Services. However, the scope of those reports was generally limited to specific issues, as opposed to the payment of the basic needs and shelter allowance, which was the main focus of our audit. We were, therefore, unable to rely on those audits to reduce the scope of our work.

Summary

Following our 2004 audit and the Ombudsman's 2006 report, the Ministry has taken steps to better administer the ODSP. For example, the hiring of additional medical adjudicators has allowed the Ministry to reduce the average wait time for a medical-disability decision to approximately 60 business days, a significant improvement from the

time of our last audit. Another area of improvement since our last audit was the much better documentation in the disability adjudication files.

Nevertheless, serious issues remain in determining an applicant's financial eligibility and the correct amount of assistance to be paid. The Ministry has established a two-stage process to ensure that only qualified applicants receive income support. The first stage is problematic because it relies solely on the individual volunteering financial information. To compensate for the risks associated with this, the Ministry's second stage requires third-party verification of certain information provided by the applicant. However, this verification requirement is largely ignored in practice.

As a result, the Ministry is not adequately ensuring that only eligible individuals receive disability support benefits and that the payments made to recipients are in the correct amount. Other significant findings and observations include the following:

- Although the Ministry has significantly reduced the average wait time for a medical-disability determination decision, 60% of recipients sampled still received late payments. On average, they experienced a 58-day delay after they had been determined to be medically qualified for payments, which is almost three times longer than the outside limit of 21 days established by the Ministry. These delays in receiving approved benefits offset to a significant degree the good

progress made since our last audit in expediting the initial medical determination.

- Oversight procedures are lacking to monitor and assess the fairness and consistency of decisions made by individual adjudicators at the Ministry's Disability Adjudication Unit (DAU). Consequently, eligibility determination rates among adjudicators generally varied from 11% to 49%.
- Many initial decisions were overturned after applicants who were not approved for benefits by the Ministry appealed to the Social Benefits Tribunal. In fact, the Tribunal in the 2008/09 fiscal year overruled the Ministry's decisions in 55% of these appeals. An independent consultant hired by the Ministry in 2008 noted that many Tribunal members approved 100% of all appeals, while one member upheld all the Ministry's decisions.
- Since 2002, the Ministry has not performed any of the periodic medical reassessments—required by legislation—to ensure continuing eligibility for disability support payments. As of March 31, 2009, there were 37,000 individuals identified as requiring such a reassessment to ensure that they still were eligible to continue receiving income support. Of those, 11,000 were overdue, many by several years.
- The Ministry relies on one individual to do all the assessment and reassessment work for any given file, yet the individual's work is neither supervised nor reviewed to ensure that the decisions made comply with ministry and legislative requirements.
- The total amount of overpayments for both active and inactive accounts has increased substantially to \$663 million as of March 31, 2009, from approximately \$483 million at the time of our last audit in 2004. In many cases, overpayments resulted from what would appear to be recipients fraudulently misrepresenting their circumstances. Often, these overpayments might have been avoided if the Ministry had followed up on tips received from the public, or more effectively reassessed the

eligibility and the amounts to be paid to those individuals whom its own systems identified as high-risk. For example, for a number of years the Ministry ignored five complaints about one recipient family that was later established to have received more than \$100,000 in overpayments. One of the tips noted that family members regularly drove new vehicles, including a new imported SUV.

- The Ministry's computerized SDMT information system still lacks key internal controls, and regional and local offices are not receiving, in an easily understandable format, the information they need to effectively oversee program expenditures.

OVERALL MINISTRY RESPONSE

The Ministry of Community and Social Services welcomes the findings and recommendations of the Auditor General with respect to the delivery and oversight of the Ontario Disability Support Program. This is a vital service that ministry staff directly deliver to some of the most vulnerable citizens of Ontario. Within the context of a steadily growing caseload, the Ministry has taken numerous steps over the past several years to improve customer service and business processes. Notwithstanding the gains made over the past few years, the Ministry recognizes the need for continuous quality improvement. In this regard, a number of initiatives that are focused on improved technical and business processes, customer service, and accountability have been introduced in the 2009/10 fiscal year.

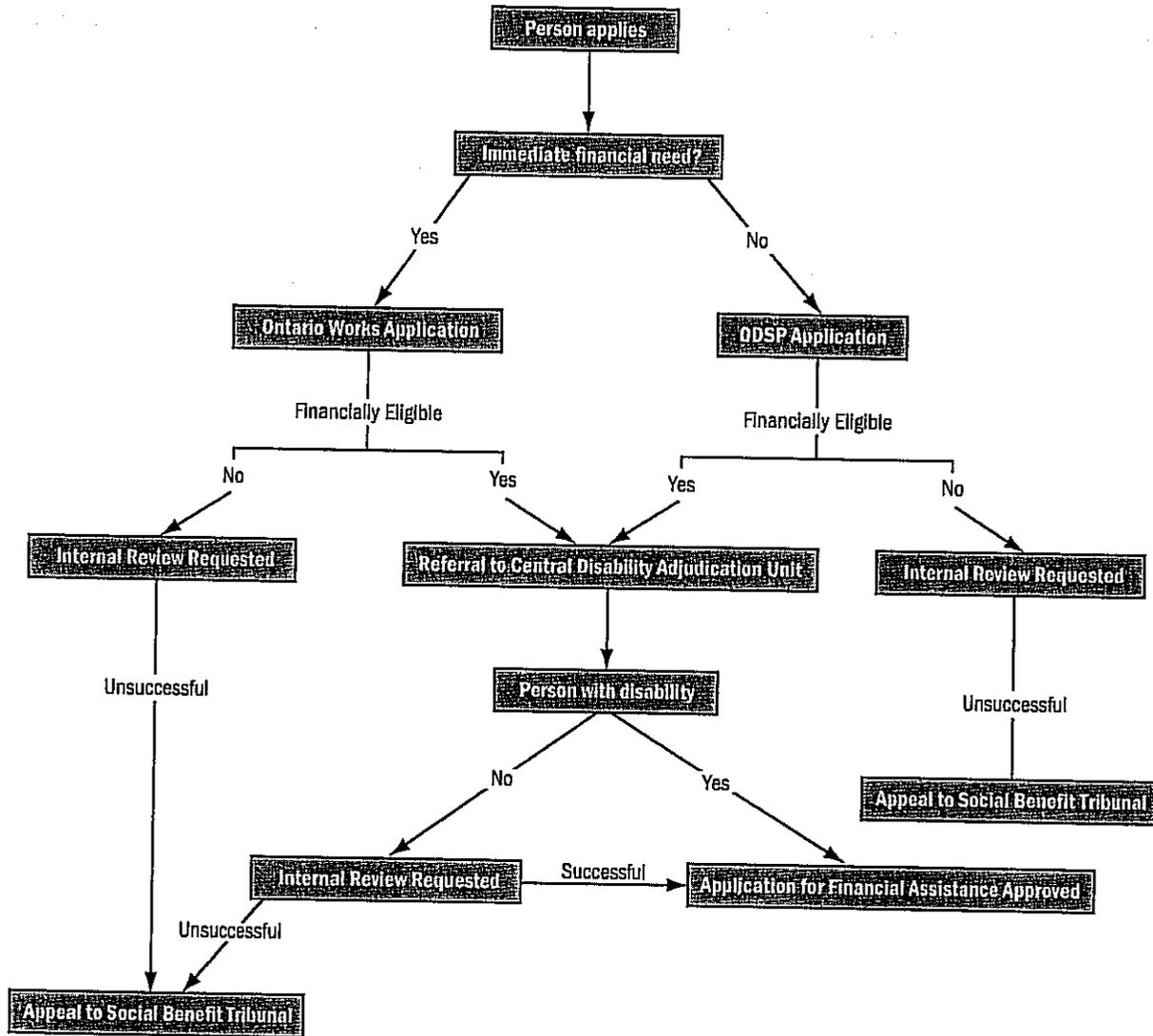
Detailed Audit Observations

OVERVIEW OF PROGRAM DELIVERY

From Figure 3, a schematic representation of the ODSP application process, it can be seen that

Figure 3: ODSP Application Process

Source of data: Ministry of Community and Social Services



disabled individuals in need of income support are normally referred to one of the Ministry's 44 local offices to apply for ODSP benefits. If the individual's financial need is considered immediate, he or she may be directed to the local Consolidated Municipal Service Manager to apply for Ontario Works Assistance, which is generally granted more quickly than ODSP benefits. The individual can then apply to transfer to the longer-term ODSP program. If the individual's need is not immediate, a caseworker in the local ministry office assesses the person's financial eligibility for benefits through an income-

and-asset test. To be financially eligible, a person's total assets must be at or below:

- \$5,000 for a single person; or
- \$7,500, if there is a spouse in the benefit unit. (These amounts can increase by \$500 for each eligible dependant.)

Cash, bank accounts, RRSPs, and other assets that can be readily converted to cash are considered when calculating a person's total assets. Certain assets, such as a principal residence, a primary vehicle, locked-in RRSPs, and trust funds in the amount of less than \$100,000, are excluded when

determining whether the person's assets are within the prescribed limits.

When assessing a person's income levels, a caseworker considers income from such sources as employment, the Canada Pension Plan, the Workplace Safety and Insurance Board, and Employment Insurance. Generally, to be eligible for even a partial ODSP benefit, 50% of the applicant's total income from other sources must be less than the potential ODSP entitlement.

Once an applicant's financial eligibility has been established, he or she is provided with a disability-determination package. That package contains three forms: a health status and activities-of-daily-living index report; a consent form to have medical information disclosed to the ODSP; and an optional self-report. The first document, which must be completed by a physician or other prescribed health professional, provides information about the applicant's medical condition(s) and impact on daily living activities. The consent form must be completed and signed by every applicant. Completing the third form, which is voluntary, gives applicants the opportunity to describe how their disability affects their daily life.

The completed documents are forwarded to the Ministry's centralized Disability Adjudication Unit (DAU) for review. An adjudicator, usually a professional in the health-care field, reviews the forms and determines whether the individual meets the test for disability (as defined under the Act) and is, therefore, entitled to assistance. If eligibility is approved, the DAU then advises the Ministry's local office that referred the individual to commence benefit payments. The Ministry's target is that the first payment be issued within 21 calendar days of the disability determination. The amounts to be paid are now retroactive to the date the DAU received the completed disability-determination package.

If an adjudicator determines that an applicant fails to meet the test for a disability, the applicant may request an internal review. A team of three different adjudicators reconsiders the application and must provide the reasons for its decision, in writing,

to the applicant within 10 calendar days of receiving the review request.

An applicant whose claim is also rejected by the internal review team may appeal to the Social Benefits Tribunal within 30 calendar days of the internal review decision.

INITIAL FINANCIAL ELIGIBILITY ASSESSMENT

ODSP applicants must provide the Ministry's local office with all the information necessary to establish their eligibility for income support and to determine the correct amount of eligible assistance. To do so, they must provide copies of a number of documents, most of which are to be visually verified by the intake worker and are intended to establish the identity and legal status of the individual. These include a social insurance number card, Ontario health insurance card, birth certificate, and documents verifying a person's status in Canada. Additional documents, such as records verifying school attendance, may also be required, for example, for dependants over the age of 16. When it comes to disclosure of income and assets, the only requirements are a representation by the applicant and a copy of a recent monthly bank statement.

Our review of a sample of ODSP recipients' files found that, although there were some instances where staff failed to review critical documents for establishing an applicant's identity and legal status, this was adequately done in most cases.

However, verifying an individual's income and assets from personal representations and only one monthly bank statement is, in itself, not sufficient. For example, there is no assurance that an individual has provided a bank statement for all of his or her accounts. Furthermore, an applicant could have withdrawn most of the money in the account before the bank issued the monthly statement.

Accordingly, to help verify the income and assets declared by applicants, the Ministry has entered into a number of third-party, information-sharing agreements. Examples include arrangements with

Human Resources and Skills Development Canada for employment insurance information, with the Canada Revenue Agency for tax return information, with Equifax for credit checks, and with the Family Responsibility Office to verify any support payments received. It is ministry policy that the completeness and accuracy of the declaration of an applicant's income and assets must be verified with all four of these organizations.

Nevertheless, we found that two of the three regional offices we visited did not verify an applicant's income and assets information with any of the third-party providers, while the third office met the requirements only about one-fifth of the time. We concluded, therefore, that initial financial eligibility for ODSP recipients is not being adequately verified.

We also note that just one ministry income-support specialist makes all the decisions with respect to assessing an applicant's initial financial eligibility, and that the same individual maintains all the applicant's case files. Supervisors are not required to conduct periodic supervisory reviews of decisions made and files maintained, and we saw no evidence that such reviews were ever undertaken. Such lack of oversight further increases the risk of payments to ineligible recipients.

RECOMMENDATION 1

To ensure that an individual's initial financial eligibility for Ontario Disability Support Program benefits is adequately verified, the Ministry of Community and Social Services should:

- comply in all cases with its own requirements to verify an applicant's declared income and assets with the third parties who have information-sharing agreements with the Ministry; and
- conduct supervisory reviews, at least on a sample basis, of the decisions made and files maintained by intake caseworkers to ensure that staff are adhering to Ministry requirements with respect to financial eligibility verification.

MINISTRY RESPONSE

The Ministry recognizes the need to ensure that only those eligible to receive benefits through the Ontario Disability Support Program (ODSP) are admitted to the program. In order to improve customer service and program integrity, a new initiative, introduced in the 2009/10 fiscal year, will streamline the ODSP case management structure over the next two years. An integral part of this restructuring will be a clarification of accountabilities for all staff involved in the delivery of ODSP, including managers. Staff and managers will be supported to take on these clarified responsibilities through training and revised business processes.

INITIAL DISABILITY DETERMINATION

In our *2004 Annual Report*, we expressed concern about delays in adjudicating applications for disability benefits and recommended that steps be taken to expedite this process. In 2006, the Ombudsman of Ontario conducted an investigation into the Ministry's Disability Adjudication Unit to determine whether there were delays leading to applicants being deprived of benefits that they would otherwise be entitled to. The Ombudsman issued a report in May 2006 with a number of recommendations, including the following:

- The government of Ontario should amend the Act to eliminate the four-month limit on retroactive benefit payments.
- The Ministry should review its adjudication service standards and determine what the optimal processing time should be, given the intent and purpose of the program, and determine appropriate staffing strategies to process applications expeditiously.
- The Ministry should establish service goals for the treatment of pending applications.

Subsequent to our audit in 2004 and the Ombudsman's recommendations, the Ministry

eliminated the four-month restriction on retroactive benefit payments. As previously noted, eligible applicants' retroactive benefit payments now cover the entire period from the time their completed application is received to the time when payments commence, even if that period exceeds four months.

For the year ending March 31, 2009, the DAU received approximately 34,000 new applications for benefits, 17% more than the 29,000 received in the year of our last audit in 2004. Over the same period, the number of adjudicators increased from 30 in 2004 to 43 in 2009—a 40% increase. This has enabled the Ministry to reduce the average wait time for a medical-disability decision to approximately 60 business days after the completed disability-determination package is received. This time frame is well within the Ministry's current internal goal of 90 business days to adjudicate all applications. The average assessment period is a significant improvement from the wait times we found during our last audit in 2004 when many cases had not been adjudicated within four months.

To help ensure that all applicants are treated fairly, they are assessed on a first-in/first-out basis. The Ministry has a triage process that requires that all new applications receive an initial review within 10 business days of receipt. Approximately 25% of all such applications are determined, within the triage time frame, to have a clear, qualifying eligible disability. The remaining 75% of the applications require further review, and of these, approximately one-third are found to have an eligible disability. Our review of a sample of adjudication files noted that the reasons for assessment decisions were generally well documented, which was often not the case in our 2004 audit.

However, as a result of our review of the DAU's adjudication process and the summary information provided us, we noted a number of concerns:

- Responsibility for this disability determination rests with just one individual. In response to our 2006 follow-up report, the Ministry committed that its Chief Medical Adviser would

annually review 50 randomly selected files from each of the unit's adjudicators to ensure that correct medical assessments were being made. As of the completion of this audit, such a review had yet to occur. As a result, there still is no supervisory oversight or review process in place to assess the basis and quality of adjudication decisions.

- The Ministry does not monitor the percentage of applicants approved by individual adjudicators—either at the triage stage or subsequently. We found that these rates varied widely. For example:
 - At the triage stage, the percentage of applicants found to have an eligible disability generally ranged from 13% to 45%, depending on the adjudicator.
 - The percentage of post-triage applicants found to have an eligible disability generally ranged from 11% to 49%, depending on the adjudicator.

The Ministry was unable to provide any explanation for these significant variances. The risk associated with such wide disparities is that individuals with similar medical conditions can get a different decision, depending on which adjudicator's desk their file lands on.

Approximately two-thirds of applicants who are ultimately found to have no eligible disability ask for an internal review. These reviews are done by a team of three adjudicators. As a result of these reviews, some 15% of the original decisions are overturned, which, in our opinion, seemed reasonable. (However, an additional 55% of decisions that are further appealed are overturned by the Social Benefits Tribunal. See Social Benefits Tribunal Appeals later in this report.)

RECOMMENDATION 2

To ensure that all Ontario Disability Support Program applicants are adjudicated fairly and consistently, the Ministry of Community and Social Services should:

- periodically review a random sample of each adjudicator's files to assess whether the decisions are generally supported and fair, and
- monitor the percentage of applicants found to have an eligible disability by each adjudicator and, if there are significant variances, investigate the reasons for them and take corrective action where necessary.

MINISTRY RESPONSE

The Ministry has implemented several quality assurance measures to ensure the integrity of decision-making (for example, team reviews). Further enhancements to existing quality assurance processes will be introduced to ensure that clients applying for the Ontario Disability Support Program are consistently adjudicated. Regular file reviews by the Chief Medical Adviser are now under way.

SOCIAL BENEFITS TRIBUNAL APPEALS

Applicants who remain unsatisfied after an internal review can appeal to the Social Benefits Tribunal, an independent body that operates at arm's length from the Ministry. The Tribunal hears two types of ODSP appeals: disability-determination decisions relating to an applicant's eligibility for benefits and income-support decisions, which generally relate to disagreements over amounts to be paid and/or recovery of overpayments.

In many cases, a Legal Aid Ontario lawyer represents applicants at the Tribunal. In fact, Legal Aid Ontario estimates that for its fiscal year ending March 31, 2009, its clinics represented approximately 7,500 ODSP cases that will cost approximately \$15 million, almost one-quarter of its annual budget.

For the year ending March 31, 2009, the outcomes of the Tribunal's deliberations are outlined in Figure 4.

The average length of time between the request for an appeal and a tribunal member's decision is approximately one year. In the fiscal year ending March 31, 2009, tribunal members overturned some 55% of ministry decisions, which is about 10% lower than the corresponding average rate in the previous two years and 20% lower than at the time of our 2004 audit. However, given the significant increase in appeals, from some 2,700 in 2003 to some 8,000 in 2009, the total number of appeals that resulted in a decision being overturned more than doubled to almost 4,400.

The Ministry retained a consultant to investigate the reasons for the relatively high rates at which the Tribunal overturned its DAU decisions. The consultant identified a number of factors that may contribute to the relatively high overturn rate. The three most significant factors were:

- The appellant appears in person at the tribunal hearing, but not during the DAU process, which is essentially a paper file review.
- Although legal counsel often represent the appellant at the Tribunal, the Ministry's six case-presenting officers appeared only about one-quarter of the time to explain the Ministry's legal submission and rationale for denying the initial appeal.
- The Ministry and Tribunal use different criteria and processes for making decisions. For example, the DAU often denies benefits if evidence is conflicting, whereas the Tribunal seems to favour the appellant if the evidence is inconsistent or where ambiguity exists.

In addition, the consultant noted that the Tribunal and the DAU appear to have a different interpretation of case law such as *Gray vs. Director of ODSP* (Ontario Court of Appeal, 2002), which broadened and liberalized the legal definition of a person with a disability under the Act.

These issues notwithstanding, the consultant also noted that many tribunal members had an overturn rate of 100%, while one member upheld every DAU decision.

Figure 4: Social Benefits Tribunal Decisions, 2008/09

Source of data: Social Benefits Tribunal

Type of Appeal	Decisions Overturned		Decisions Upheld		Decisions Varied		Total Appeals
	#	% of Total	#	% of Total	#	% of Total	
income support	206	21	567	57	217	22	990
disability determination	4,182	59	2,517	36	341	5	7,040

RECOMMENDATION 3

To reduce the need for, and cost of, appeals and the relatively high rate at which the Social Benefits Tribunal overturns Ontario Disability Support Program eligibility decisions, the Ministry of Community and Social Services should consult and work with the Tribunal to narrow the differences in approach to, and criteria used in, assessing individuals with a disability. In addition, to ensure that its rationale for denying a claim is clearly communicated to the Tribunal, the Ministry should ensure that it is represented by a case presenting officer at every hearing.

MINISTRY RESPONSE

The Ministry is in the process of analyzing the factors that may contribute to the Social Benefits Tribunal's overturn rate of the Disability Adjudication Unit's decisions. On the basis of this review, the Ministry will identify potential legal, policy, or administrative strategies to address the issues.

The Ministry is also in the process of reviewing how services can best be delivered, taking into account the bounds of existing resources.

or Consolidated Verification Process (CVP), on 2% of its active caseload every month. In other words, approximately one-quarter of all active cases are to be reviewed every year. To help with the case-selection process, the Ministry's head office produces a number of ad hoc reports for local offices that identify potential high-risk recipients, either specifically or by profile.

Although local offices generally met their monthly goal of conducting financial eligibility reassessments on 2% of active cases, the files reviewed were generally not selected from the high-risk group. Only one of the three regions we visited provided us with information on the review of high-risk cases and, in that region, just 15% of those cases were reviewed in the 2007/08 fiscal year.

In addition, financial eligibility reassessments suffered from many of the same deficiencies previously noted for initial financial eligibility assessments. In most cases, the required third-party verifications of income and assets were not performed. The individual's income and assets were determined solely on the basis of his or her declaration and from the review of just a single monthly bank statement, which cannot be relied on to give an accurate picture. We even noted that in some cases there were no new declarations obtained and no new bank statements reviewed.

As noted later in this report, it is our view that if financial eligibility reassessments had been conducted on high-risk cases, and if the required procedures had been followed, there is the potential for overpayments to be significantly reduced. For example:

- A family of four started receiving \$900 in monthly income support in 1996. Over the

ELIGIBILITY REASSESSMENTS/ CONSOLIDATED VERIFICATION PROCESS

Financial Eligibility Reassessments

It is the Ministry's policy that each local office should conduct a financial eligibility reassessment,

- next two years, the Ministry received five complaints from five different people questioning the family's eligibility, including two complaints within the first two months of benefits being paid. One of the complainants noted that family members regularly drove new vehicles, including a new imported SUV. Although a financial eligibility reassessment was conducted on this recipient in 1999 (after the five complaints were received), the reassessment did not investigate those complaints—and the benefits continued. Although a more in-depth investigation of this recipient's financial eligibility commenced in 2001, that investigation was not completed until 2005, at which time an overpayment of \$104,000 was confirmed. The overpayment factors included undeclared income, undeclared assets, and cohabitation. At the time of our audit, the recipient was repaying this overpayment through \$60-per-month deductions from current income support.
- A husband and wife started to receive \$1,400 in monthly income support in 1994. In 1999, the Ministry's fraud hotline received a tip that they were ineligible, but this tip was never acted upon. In both 2001 and 2002, the recipients were identified as high-risk and therefore deserving of a financial reassessment. However, these reassessments did not take place. Finally, in 2004, a detailed financial eligibility reassessment found that the recipients had been living outside the country, not permitted under the Act, since 1998 and had received overpayments totalling \$95,000. None of this overpayment amount has been recovered.
 - A recipient and dependent adult started to receive \$1,040 in monthly income support in 1991. In both 2001 and 2002, the recipient's file was identified as in need of a financial eligibility reassessment, but no reassessment was undertaken during those years. Although a reassessment did take place in 2003, it did not result in any benefit adjustments. Another

financial eligibility reassessment in 2006 found that the recipient had been receiving CPP disability payments since 1995, and that the amount of those payments made the recipient financially ineligible for income support. As a result, an overpayment of \$111,000 was established, and benefits were terminated. None of this overpayment has been recovered.

In most cases, including the preceding examples, the Ministry has had little success in getting recipients to repay overpayments, nor are overpayments resulting from what would appear to be fraudulent representations referred to the police in most cases. We are concerned that individuals who receive ODSP income support under potentially fraudulent circumstances may have little reason to fear any consequences—even if they are caught.

RECOMMENDATION 4

To ensure that recipients continue to be financially eligible for Ontario Disability Support Program benefits and to avoid overpayments, the Ministry of Community and Social Services should:

- ensure that recipients identified as high-risk are prioritized for review;
- comply in all cases with its own requirement to verify an applicant's declared income and assets with the third parties with whom the Ministry has information-sharing agreements; and
- be more proactive in following up on those tips that come from what appear to be bona fide sources.

MINISTRY RESPONSE

The Ministry agrees and has implemented in the 2009/10 fiscal year a revised risk-based approach to Ontario Disability Support Program (ODSP) financial eligibility reassessments. Future enhancements to this approach will include the development of a risk model for

social assistance that will help to ensure that only eligible recipients remain on the program.

Also, to further support compliance with third-party check and other eligibility review processes, the Ministry will be implementing a series of tools to reinforce its program management and oversight to ensure that all requirements of ODSP service delivery are met.

As noted above, the Ministry is introducing a new initiative that will streamline the ODSP case-management structure. An integral part of this restructuring will be a clarification of accountabilities for all staff involved in the delivery of the ODSP, including managers. Training and revised business processes will help to strengthen case-management activities related to verifying eligibility information received from outside parties.

Management of Outstanding Tasks

The Ministry's Service Delivery Model Technology information system has a feature that allows the assignment of tasks and corresponding completion target dates to individual case files, as well as the tracking of outstanding tasks. A task is essentially a "to do" item that normally entails obtaining or verifying the information necessary to establish the continued eligibility of a recipient and/or the correct amount of assistance. Tasks are system-generated for such things as recipients reaching the age of 60 or 65 (at which time they may qualify for CPP or Old Age Security and receive income that could make them ineligible for ODSP benefits). Many of the remaining tasks are entered manually and are triggered by, for example, a complaint about a person's eligibility or information obtained from third parties through the information-sharing agreements.

It is essential that caseworkers review all outstanding tasks on a timely basis so that any necessary changes can be made promptly and overpayments can be avoided.

Outstanding tasks have increased significantly since the time of our last audit. As of December 2008, there were more than 206,000 outstanding tasks recorded in SDMT, 49,000 of which were overdue by a significant amount of time, with many overdue by more than five years. At the time of our 2004 audit, there were some 57,400 outstanding tasks, excluding approximately 17,000 relating to overdue medical eligibility reassessments. The increase in outstanding tasks is particularly worrisome because it could affect an individual's eligibility for benefits, the likelihood of which is increased by the fact that there are no policies or procedures that require supervisory staff to review and monitor long-outstanding tasks. As a result, the information necessary to assess the eligibility of recipients and determine the correct amount of assistance may often not be obtained on a timely basis.

RECOMMENDATION 5

To ensure that Ontario Disability Support Program benefits are paid only to eligible individuals and in the correct amount, the Ministry of Community and Social Services should monitor case-management activities to ensure that tasks entered into its Service Delivery Model Technology information system are followed up on promptly and that appropriate actions are taken to avoid overpayments.

MINISTRY RESPONSE

The Ministry agrees and has since simplified the technology relating to system-generated tasks. It is also reviewing current business processes for potential refinements or opportunities for improvements from a technology modernization perspective.

As noted above, the Ministry is introducing a new initiative that will streamline the Ontario Disability Support Program (ODSP) case-management structure over the next two years. An integral part of this restructuring will be a clarification of accountabilities for all staff involved

in the delivery of ODSP, including managers. This will include clarification of expectations with respect to the monitoring of overdue tasks.

Medical Eligibility Reassessments

An ODSP regulation and policy require that when a person is determined to have an eligible disability that may improve, a follow-up review must occur within two to five years. In the three-year period from 2006/07 to 2008/09, the DAU determined that just under half of the approved ODSP applicants, or approximately 24,000 individuals, had an eligible disability that might improve. All were, therefore, designated for review.

However, the legislative requirement for medical reassessments notwithstanding, the Ministry has failed to conduct any such reassessment since 2002. In fact, during the 2005/06 fiscal year, the Ministry removed 34,000 recipients considered at low risk of improvement from the list requiring a medical reassessment but was unable to demonstrate how the low-risk determinations were made for those recipients.

At the time of our audit, there were 37,000 individuals who had been identified as requiring a medical reassessment to ensure that they were still eligible to continue receiving benefits. Of those, 11,000 were overdue as of March 31, 2009, many by several years.

RECOMMENDATION 6

To comply with the *Ontario Disability Support Program Act* and to ensure that only eligible ODSP recipients continue to receive benefits, the Ministry of Community and Social Services should conduct the required medical reassessments within the legislated time frame.

MINISTRY RESPONSE

The Ministry is pleased to have introduced a new service standard with respect to the initial

adjudication of applications to the Ontario Disability Support Program (ODSP). While we have focused our resources and efforts on significantly improving initial adjudication timelines, the Ministry recognizes the importance of ensuring that only those individuals who have an ongoing need for ODSP continue to receive benefits. Therefore, the Ministry began conducting medical reviews in spring 2009. The Ministry will strive to conduct medical reviews within the required time frame.

Income-support Payments to Individuals

Given our concerns with respect to the effective implementation of both the initial and subsequent financial eligibility assessment processes, we reviewed a sample of payments and corresponding files. We noted the following:

- Payments to individuals sampled commenced significantly later than the Ministry's prescribed 21 calendar days after the DAU notified an ODSP office that the applicant had an eligible disability and was, therefore, entitled to benefits. On average, payments to recipients sampled commenced late almost 60% of the time, with the average delay being 58 days. In many cases, there were delays of more than 100 days; one case was delayed 195 days, or six-and-a-half months. These delays in receiving approved benefits offset to a significant degree the good progress made since our last audit in expediting the initial medical assessments.
- In a few cases, information on file was incorrectly considered in determining the benefits entitlement, which resulted in either overpayments or underpayments. For example, the fact that one individual was incarcerated for 50 days and in receipt of CPP benefits was not considered correctly, resulting in overpayments of \$4,200 over eight months.

Similarly, a caseworker failed to consider a recipient's written confirmation and supporting documentation that his orphan benefits under CPP had been discontinued, which resulted in an ODSP underpayment of \$200 per month, or \$1,000 at the time of our audit.

Although the individual amounts of overpayments in our sample were generally small, collectively they may well be significant.

We also noted that, province-wide, the total spent on special dietary allowances has increased substantially since the time of our last audit in 2004. At that time, the payments totalled \$18.1 million; in the 2008/09 fiscal year, the amount exceeded \$104 million, more than a five-and-a-half fold increase. We found that many payments for special dietary allowances to purchase particular foods, which must be authorized by an approved health professional, seemed questionable. For example, for one family of 10, all 10 people received a monthly special dietary allowance totalling \$2,475 per month, resulting in total monthly ODSP assistance of \$4,163, or nearly \$50,000 per year, tax-free. Another example concerned a family of nine, where all nine received a monthly special dietary allowance totalling \$2,194 per month, resulting in total monthly income support of \$4,540, or nearly \$55,000 per year, tax-free. In addition, we found that, in some cases, payments for supplementary benefits such as community start-up and special dietary allowances were made without the required documentation and receipts being on file.

RECOMMENDATION 7

To ensure that eligible applicants receive the correct financial entitlements within a reasonable time frame, the Ministry of Community and Social Services should ensure that:

- Ontario Disability Support Program payments start within the prescribed 21 calendar days of the determination that the person has an eligible disability.

- all of the information necessary to determine the correct amount of benefits is on file and correctly considered before payments are made; and
- suspicious or unusual circumstances, including those relating to the special dietary allowance, are appropriately flagged for additional follow-up.

MINISTRY RESPONSE

The Ministry agrees and is taking steps to ensure that eligible applicants receive the correct financial entitlements within a reasonable time frame.

The Ministry will be implementing a series of tools to reinforce its program management and oversight to ensure that all requirements of Ontario Disability Support Program service delivery are met.

OVERPAYMENTS

Determination

Overpayments occur when recipients are paid more assistance than they are entitled to receive. Information contained in the Ministry's computerized SDMT tracking system indicates that outstanding overpayments have increased substantially since the time of our last audit in 2004. The total estimated overpayments now stand at \$663 million, compared to \$483 million in our earlier audit. Figure 5 shows the increase in overpayment amounts, and Figure 6 shows the number of cases involved.

The reason for any overpayment and how the overpayment was calculated should be properly documented in either SDMT or the recipient's paper file. In practice, this is often not the case. For example, with respect to information in SDMT, we noted the following:

- The reason for an overpayment is often too general; for example "eligibility change" is

often cited, which makes it difficult to attribute the overpayment to specific changes in circumstances.

- The SDMT often does not show how the overpayment was arrived at, making it impossible for the caseworker to determine how the amount was calculated so that an explanation can be provided to the recipient.
- If the caseworker makes multiple changes of information in SDMT at once, each of which results in an overpayment, the system often does not record all of the overpayments.
- The system cannot calculate overpayments incurred prior to 2002, the year SDMT was introduced.

Given the above lack of detail in SDMT, caseworkers in most instances do not attempt to verify

the completeness and accuracy of the overpayment information recorded in SDMT.

Collection

ODSP benefits are subject to deductions to recover any prior overpayments under the *Ontario Works Act* as well as the *Ontario Disability Support Program Act*. Current ODSP benefit deductions can also be used to recover prior overpayments under these acts' predecessors, the *General Welfare Assistance Act* and the *Family Benefits Act*. In all cases, overpayments are calculated without interest.

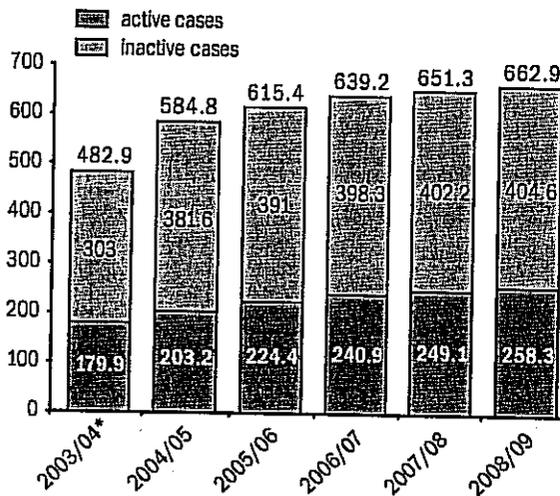
Overpayment Recovery—Active Accounts

Overpayments on active accounts are recovered primarily through automatic deductions from the recipient's monthly income-support allowance. The maximum allowable monthly deduction is 10% of the recipient's combined basic needs and shelter allowance. In practice, however, the Ministry imposes just a 5% repayment rate, half the legislated maximum. The monthly deduction can be further reduced or eliminated entirely should the Ministry determine that a 5% benefit reduction would cause the recipient undue hardship. Although the Ministry was unable to provide us with the number of active overpayment cases for which no recoveries are being made, we found among the files we reviewed that about one in five overpayment accounts was being exempted from deductions.

The amounts of overpayments being collected from active cases through automatic deductions of current benefits are shown in Figure 7.

Figure 5: Total Overpayments, 2003/04–2008/09 (\$ million)

Source of data: Ministry of Community and Social Services



* Amounts are as of December 31, 2003, as reported in our 2004 Annual Report.

Figure 6: Overpayment Cases, 2003/04–2008/09

Source of data: Ministry of Community and Social Services

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
active cases	61,500	63,605	67,481	74,477	70,963	70,550
inactive cases	71,000	84,081	83,809	84,232	84,249	83,415
Total	132,500	147,686	151,290	158,709	155,212	153,965

Figure 7: Overpayments (written-off and collected)

Source of data: Ministry of Community and Social Services

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Amounts Collected						
active cases (\$ million)	31.6	32.6	37.0	39.8	39.5	37.0
inactive cases (\$ million)	16.2	10.6	19.5	8.6	8.1	8.4
Written-off						
amount (\$ million)		5.7	7.9	10.8	5.6	12.0
# of cases involved		5,984	2,319	4,554	1,827	13,430

Our review of a sample of active accounts in which overpayments were being recovered from current benefits found that payment amounts were generally small in relation to the amount of overpayment. As a result, recovering even a small portion of the total overpayments will take many years and full recovery is unlikely. For example:

- One individual owing \$78,000 had his current benefits reduced by \$10 per month. If the recipient made no other form of repayment and the recovery rate remained the same, it would take approximately 650 years to collect the outstanding amount.
- Benefits of another individual with a \$102,000 overpayment were being reduced by \$58 per month. If the recipient made no other form of repayment and the recovery rate remained the same, it would take approximately 147 years to collect the outstanding amount.

Given many recipients' general inability to repay overpayments, it is all the more important to strengthen internal controls and avoid such overpayments in the first place.

Overpayment Recovery—Inactive/Terminated Accounts

As was the case at the time of our last audit in 2004, the Ministry's initial collection effort for inactive/terminated accounts consists of sending three "dunning letters" (debt notices) over a 60-day period, requesting that the debtor arrange a plan to repay the outstanding amount. If there is no response

within 30 days of the third letter being sent, it has been the Ministry's practice since 2005 to transfer the account to its internal Overpayment Recovery Unit (ORU)—in effect, an in-house collection agency.

The ORU sends an additional two dunning notices. The first advises the recipient that the recovery unit has been assigned responsibility for the debt and unless arrangements are made within 30 days to pay the outstanding amount, the Ministry will garnish any future tax refunds from the Canada Revenue Agency. Before taking this step, the unit sends a second and final letter, providing another 15 days to settle the amount owing.

Our review of a sample of overpayment files found the following:

- About 40% of overpayment cases had not been transferred to the ORU as required, even though the overpayment had been known, on average, for about three years. We were advised that, in most cases, the reason for not transferring the file was a lack of resources to do the necessary paperwork.
- About 50% of eligible files were transferred to the ORU between a year or two after the overpayment was identified.
- About 10% of the accounts were ineligible for transfer to the ORU for a variety of reasons, which in many cases included a pending appeal to the Social Benefits Tribunal of the amount outstanding.

Summary information provided to us by the ORU indicated that in the period from the unit's

inception in October 2004 to March 31, 2009, the unit received and is currently administering approximately 23,000 overpayment accounts from inactive or terminated accounts with a total value of \$141.8 million. (This does not include approximately 28,000 accounts totalling \$42 million that was written off during that time.) With respect to these 23,000 accounts, we found the following:

- About 3,200 accounts totalling \$12.4 million have not been subject to any collection effort, many for more than two years.
- About 5,300 accounts totalling \$40.2 million have been subject to collection efforts, but with no success to the time of our audit.
- About 14,500 accounts with an outstanding balance of \$89.2 million have been either referred to the CRA or have entered into voluntary repayment plans for which some amount has been collected. However, the amounts collected from 6,300 accounts since the inception of the unit total just \$7.6 million, or approximately 5% of the original \$141.8 million in identified overpayments transferred to the unit since 2004.
- Overpayments forwarded to the ORU are not reviewed or assessed with respect to the individual's ability to pay. As a result, the Ministry is unable to take advantage of the opportunity to focus on the recovery of amounts from former recipients who, for example, have returned to work or acquired liquid assets of considerable value and, therefore, have the means to pay.

Temporarily Uncollectible Overpayments

As of March 31, 2009, the Ministry has designated \$59 million of overpayments as "temporarily uncollectible." Of this amount, approximately \$43 million relates to overpayments transferred from predecessor programs. These monies are considered uncollectible largely because the overpayments are poorly supported and/or have been outstanding for prolonged periods of time ranging as high as 16 years.

Most of the remaining amounts are designated temporarily uncollectible for several reasons, including hardship on the recipients or because the Ministry cannot substantiate the amount overpaid.

Although the Ministry advised us at the time of our last audit in 2004 that it intended to establish the validity and collectibility of all the then-outstanding overpayments by December 2005, this has not occurred. Given that little has been done for so many years to collect this money and that most of the overpayments were made years ago, we doubt whether the Ministry will ever collect much of the \$59 million. If this is indeed the case, these accounts should be written off.

RECOMMENDATION 8

To better utilize its limited resources and help maximize the recovery of Ontario Disability Support Program overpayments, the Ministry of Community and Social Services should:

- devote more efforts to minimize overpayments in the first place, given the limitations in recovering significant overpayments from active and inactive recipients;
- ensure that overpayments from inactive accounts are transferred to, and followed up on by, the Ministry's Overpayment Recovery Unit on a timely basis, with emphasis on accounts that are considered to have the most potential for repayment; and
- assess the validity and collectibility of outstanding overpayments designated as temporarily uncollectible and, where warranted, recommend that they be written off so that attention can be focused on those accounts where collection efforts are likelier to yield results.

MINISTRY RESPONSE

The Ministry agrees that overpayment recovery must be maximized and has recently implemented business and technology changes to improve the recovery of overpayments.

To minimize the possibility of overpayment, the Ministry recently introduced changes to the way that Ontario Disability Support Program (ODSP) recipients report income. The Ministry will continue with its efforts to mitigate overpayments and has recently implemented a risk-based approach to ODSP financial eligibility reassessments. Future enhancements to this approach will include the development of a risk model for social assistance that will help to ensure that only eligible recipients remain on the program and that the payments they receive are accurate.

Finally, the Ministry is assessing the feasibility of accelerating the write-off of aged overpayments and prioritizing overpayment collection on the basis of recipients' and former recipients' ability to repay.

CASE MANAGEMENT

Workload

Our previous audit commented on the then relatively high number of files per caseworker. Subsequent to our 2004 audit, the Ministry hired additional caseworkers. Figure 8 shows the resulting reduction in average caseloads compared to the time of our last audit.

Clearly, the average caseload has decreased significantly from the time of our last audit, by about 35% overall. However, caseloads still varied significantly among the Ministry's nine regional as well as among its 44 local offices, with some offices having double the caseload per caseworker than others. Despite the overall decrease in caseloads, there is little evidence that the quality of work has improved, especially in conducting financial eligibility assessments and in clearing outstanding tasks. Our review of a sample of files continues to show many lingering problems, including, as noted above, a significant increase in overpayments since our last audit.

Figure 8: Caseload Comparison, December 2003 and March 2009

Source of data: Ministry of Community and Social Services

	December 2003	March 2009	% Decrease
Average All Regions	389	266	32
Regional Averages			
highest	465	318	32
lowest	340	230	32
Local Office Averages			
highest	not available	351	
lowest	not available	161	

Furthermore, the Ministry has no standards in place to assess whether staffing is sufficient to adequately perform all necessary case-management functions and to ensure that the ODSP program is well administered.

We also noted that caseworkers in the three regions we visited took, on average, more than 20 sick days per year, which compares unfavourably to the overall Ontario Public Service average of about 10 days per year.

RECOMMENDATION 9

To ensure that Ontario Disability Support Program caseworkers can effectively carry out their responsibilities, the Ministry of Community and Social Services should:

- assess caseworkers' responsibilities and work processes to establish reasonable caseload benchmarks in each of the 44 local offices; and
- strengthen efforts to monitor sick leave and set targets for reducing absenteeism to more reasonable levels.

MINISTRY RESPONSE

The Ministry continues to review how services can best be delivered within the bounds of existing resources. Building on business and technical improvements, to assist with case

management, the Ministry is planning to implement a new Ontario Disability Support Program (ODSP) service delivery model that will simplify the way ODSP recipients are supported and address staff workload issues. At the same time, the Ministry will strengthen measures to monitor sick leave usage and ensure that the Ontario Public Service Attendance Support Program is applied appropriately province-wide.

Service Delivery Model Technology System

The Ministry's Service Delivery Model Technology system, the primary information technology network to support social assistance delivered by both Ontario Works and ODSP, was implemented province-wide in early 2002. It was developed to provide a common database with real-time access to case information and to reduce administrative costs while freeing up caseworker time to allow for better customer service to applicants and recipients.

However, as was the case at the time of our previous audits—of Ontario Works in 2002 and ODSP in 2004—we found that caseworkers still expressed considerable dissatisfaction with the SDMT system.

Concerns expressed included the following:

- SDMT continues to make errors that ministry staff cannot explain. For example, although

the system is supposed to automatically detect all Ontario Works payments made to a recipient during any period for which ODSP benefits are granted retroactively, automatic deductions for duplicate Ontario Works payments were often not made, resulting in overpayments.

- Regional and local offices are not receiving, in an easily understandable format, the information they need to effectively oversee program expenditures. For example, some pre-programmed reports are incomplete and inaccurate. As a result, ministry staff have created manual systems or workarounds for tracking functions such as intake, internal reviews, and tribunal appeals.

In addition, the system lacks certain basic internal controls. For example, frontline caseworkers have the ability to create a client file, initiate and approve payments, and close files without supervisory review and approval. In effect, they have considerable powers to act without management's knowledge.

A more complete discussion of the issues and concerns with respect to the SDMT system is included in this chapter's VFM Section 3.11 on the Ministry's Ontario Works program.

Chapter 3

Section
3.12

Ministry of Municipal Affairs and Housing

Social Housing**Background**

Affordable and secure housing is a significant factor in a community's stability and in the social and economic well-being of its residents. Social housing is rental accommodation developed with government assistance for a range of low- and moderate-income households, including families with children, couples, singles, and seniors. It can be owned by governments, as in the case of public housing, or by non-profit or co-operative organizations. In Ontario, households in social housing that receive a rent-g geared-to-income subsidy typically pay a maximum rent equal to 30% of their total pre-tax income.

Most social housing in Ontario was built between the mid-1960s and the mid-1990s through a combination of federal, provincial- and joint federal-provincial cost-shared programs. Community groups also built non-profit and co-operative housing during the 1980s and 1990s, with more emphasis on smaller projects that included units with rents at market rates alongside those with rent geared to income.

Until the late 1990s, properties built by governments (that is, public housing properties) were subsidized and administered by Canada Mortgage and Housing Corporation (CMHC) at the federal level and Ontario Housing Corporation at the provincial

level. The non-profit and co-operative housing built by community groups was administered by those groups but funded by both levels of government.

In January 1998, the province transferred to municipalities a series of funding responsibilities, including social housing, under the Local Services Realignment program. In return, the province assumed half the education costs that had previously been paid by municipalities. The Ministry of Municipal Affairs and Housing retained responsibility for administering social housing programs during a transition period.

In November 1999, the federal government and Ontario signed the Canada-Ontario Social Housing Agreement (Agreement) to transfer federal administration of most Ontario social housing to the province (although CMHC continued to administer certain housing programs). The Agreement provides the province with the flexibility to devolve administration of social housing programs to municipalities, set policies for client assistance, and allocate federal funding to the various housing programs. The province continues to receive federal funds (\$518 million in the 2008 calendar year), most of which it allocates to municipalities.

In December 2000, the province passed the *Social Housing Reform Act, 2000* (Act), which required municipalities to assume responsibility for social housing programs previously administered by both CMHC and the province. The province

designated 47 regional Consolidated Municipal Service Managers (Service Managers), who also deliver such other services as social assistance and child care, to administer social housing programs at the local level. In bigger cities, the municipal government itself is the Service Manager; in smaller centres, a single Service Manager administers services for a combined group of municipalities and counties. Ontario is the only province to have passed on to municipalities the responsibility for funding and administering social housing.

As of the end of 2008, there were about 260,000 units of social housing in Ontario, consisting of 100,000 public-housing units and 160,000 non-profit and co-operative units. Although no formal figures were available, the asset value of the province's social housing stock was estimated to be approximately \$40 billion.

Audit Objective and Scope

The objective of our audit was to assess whether the Ministry of Municipal Affairs and Housing (Ministry) had adequate systems and procedures in place to:

- measure and report on its effectiveness in helping to provide, in partnership with the federal and municipal governments, sufficient numbers of well-maintained social housing units; and
- ensure that funds provided for selected housing programs are managed with due regard for economy and efficiency, and in compliance with legislative and program requirements.

Our audit included research into the practices of other jurisdictions, a review of documentation, and interviews with ministry staff and some of the 47 Consolidated Municipal Service Managers (Service Managers) to obtain their views on the delivery of social housing programs. We also sent surveys to all 47 Service Managers and received responses from about half of them. We also interviewed

external stakeholders, including the Association of Municipalities of Ontario, Social Housing Services Corporation, the Ontario Non-Profit Housing Association, Toronto Community Housing Corporation, and Canada Mortgage and Housing Corporation for their input on how housing programs could be improved.

Our work also included a review of relevant audit reports issued by the Ministry's internal auditors. Since they had not conducted any recent work in the areas covered by our audit, their reports did not result in a reduction of the scope of our audit or extent of our procedures.

Summary

From both a value-for-money perspective and from the perspective of those who live in it, it is critical that social housing be maintained in good condition. As well, sufficient and affordable social housing can have a significant impact on the health and safety of those Ontarians who depend on subsidized housing for a place to call home. While responsibility for this has been largely delegated by legislation to municipalities since 2000, it is in the province's long-term interests to monitor how well the province's social housing stock is being managed by Consolidated Municipal Service Managers (Service Managers).

However, despite the change in responsibilities, there has been no provincial strategy to help ensure long-term sustainability of sufficient numbers of well-maintained social housing units. Accordingly, other than ensuring that any federal or provincial housing agreements and other requirements are being adhered to, the Ministry collects little information on how well the \$40 billion in social housing stock is being maintained or whether there is an adequate supply to meet the local needs. We identified a number of issues about which we believe the province should be better informed to enable it to monitor how well social housing is being managed,

especially given the province's recent commitment to provide municipalities with more than \$600 million (its half of the \$1.2 billion federal-provincial economic stimulus package provided to it) for new and existing housing programs. Some of these issues include:

- As of December 2008, the number of households on waiting lists for social housing across the province totalled about 137,000. In many urban centres, the average wait time to secure accommodation was more than five years—and one municipality had reported a wait time of 21 years for all categories except seniors.
- Some large municipalities reported that as units became available, 25% to 40% were usually allocated to special-priority tenants, such as victims of abuse, who require complex social-support services. However, housing providers often do not have the capacity to provide security and complex support to such special needs tenants, nor were security and services for such tenants well co-ordinated with other programs.
- The deteriorating condition of the social housing stock, particularly the public-housing portfolio, whose units are an average of 40 years old, has been a significant and growing concern for municipalities. In 2006, for instance, the Toronto Community Housing Corporation conducted a building-condition assessment, which identified immediate capital-repair needs of \$300 million for its 60,000 social housing units. However, the Ministry had no up-to-date and reliable information on a province-wide basis of the overall condition of the social housing stock or of the asset-management practices of Service Managers.
- A large number of the federal government's funding agreements with housing providers will start to expire in 2015, with no guarantee they will be renewed. Without continued funding, some existing social housing projects will not be financially viable. However, Service Managers will still be required by law to

maintain the prescribed minimum number of housing units. The Ministry had no firm plans to address Service Managers' concerns regarding the possible ending of federal funding.

- In partnership with the federal government, Ontario has in recent years provided Service Managers with some additional funding for new housing programs. Although the Ministry monitors whether Service Managers comply with program requirements, there was a general lack of reporting on the success of these programs. We determined, for example, that although one such program did increase the supply of housing, the stipulated rent to be charged meant that more than half the units would not be considered affordable for households on waiting lists, or those eligible to be on the lists.
- As part of a federal-provincial economic stimulus package, both levels of government announced in March 2009 they would share equally in funding \$1.2 billion in new investments in social and affordable housing over the next two years. Improvements to the Ministry's system for monitoring these expenditures will be needed to ensure these funds are spent cost-effectively and achieve the desired impact.

OVERALL MINISTRY RESPONSE

The Ministry of Municipal Affairs and Housing welcomes the observations and recommendations of the Auditor General and is committed to making continuous improvement in meeting its mandate. The Ministry recognizes the integral role of safe and affordable housing in the health and safety of Ontarians and is focused on supporting our municipal partners as they administer social housing in Ontario.

Since devolution in 2001, all housing partners, including the province, have been maturing in their new roles in administering

Social housing in Ontario. The recent Provincial Municipal Fiscal and Service Delivery Review confirmed that the province would not upload responsibility for social housing from the Service Managers. The review recommendations supported continued municipal funding and administration, while the province will provide the opportunities to free up additional funds for social housing. The role of the province to oversee the success of the program has also evolved and the Ministry is committed to effectively meeting this role.

Detailed Observations

COMPLIANCE WITH AGREEMENT AND LEGISLATION

The Canada–Ontario Social Housing Agreement (Agreement) with the federal government establishes certain reporting requirements that the Ministry of Municipal Affairs and Housing (Ministry) is required to follow. Specifically, the Ministry must submit an annual performance report to the federal government and undertake annual audits and periodic program evaluations. The annual performance report must include information on the amount of funding for each program, the number of households assisted, and the average income of those receiving assistance.

In addition, under the provincial *Social Housing Reform Act* (Act), Consolidated Municipal Service Managers (Service Managers) are required to fulfill a number of key responsibilities that include:

- maintaining the prescribed minimum number of housing units;
- establishing and administering waiting lists;
- providing rules about eligibility and priority rules, creating occupancy standards, and ensuring adherence to these rules and standards;

- reporting on projects in difficulty;
- providing subsidies to, and oversight of, housing providers; and
- reporting on compliance with social housing obligations to the province.

To help ensure compliance with the federal and provincial requirements, the Ministry requires Service Managers to submit a Service Manager Annual Information Return (Return). Service Managers must state in the Return the expenditures incurred for each housing program, provide certain supplemental information, and confirm their compliance in key areas such as maintaining the prescribed number of housing units and a centralized waiting list. An external auditor hired by the Ministry must verify Returns and issue an audit opinion to CMHC on the federal money spent.

We found that the Returns were being verified and, based on the opinion of the ministry-appointed auditor, the province and municipalities were in compliance overall with the Agreement and legislation.

PROVINCIAL STRATEGY ON SOCIAL HOUSING

Service Managers currently have primary responsibilities for funding and administering social housing programs. Even so, social housing is a shared responsibility and the Ministry, in partnership with the federal and municipal governments, is accountable to Ontarians for providing sufficient and well-maintained social housing across the province.

Despite the significant change in the responsibilities for delivery of social housing, however, there had been no provincial strategy to address potential issues that could affect the provision of sufficient and well-maintained housing in the province. Beyond the annual compliance-reporting process, the Ministry had not adequately overseen the success of municipal service delivery.

A provincial strategy is needed to define the Ministry's roles, set measurable goals and program priorities, assess risks and options to manage

the risks, determine the resources required, and measure the impact of the Ministry's contribution to social housing. In the Ministry's recent Results-based Plan (Plan), a document that all Ontario government ministries are required to submit to help ensure their programs achieve the desired outcomes, the Ministry had identified several goals and the various activities on which it intended to report. However, we found these goals and activities as reported to be overly broad, with no measurable outcomes. For example, one of the activities identified was the maintenance and upgrading of aging social housing units—but the Plan established no targets or benchmarks for success.

The need for a provincial strategy was underscored in May 2006, when a consultant engaged by the Ministry to conduct an evaluation of its social housing programs noted a number of issues similar to the ones we observed. The consultant's evaluation, required under the Canada–Ontario Social Housing Agreement, noted, among others, the following issues:

- a lack of strategic performance measurement across Ontario's social housing programs;
- the absence of province-wide benchmarks, metrics, and objectives for social housing; and
- a lack of strategic-planning initiatives to address issues, including emerging capital requirements, increasing operating costs, and demographic and economic changes that may affect long-term sustainability.

It has been three years since these issues were identified but little action has been taken to date to address them.

In this regard, a number of municipalities had developed a local strategic plan to address the issues within their communities. Our review indicated some of these plans were comprehensive and could be useful to the Ministry in developing a strategic plan. Other municipalities could also find them helpful as a guide to best practices.

RECOMMENDATION 1

To better define and fulfill the province's roles for ensuring sustainable, well-maintained social housing, the Ministry of Municipal Affairs and Housing should:

- establish a comprehensive strategic plan that includes measurable goals and performance outcomes;
- work with municipalities to ensure a coordinated and integrated housing strategy within the province, and gather the information necessary to monitor progress on the strategy and on the goals and outcomes established; and
- consider requiring all Consolidated Municipal Service Managers to develop local strategic plans, and encourage the sharing of best practices in developing such plans.

MINISTRY RESPONSE

The Ministry agrees and has already completed over 18 public consultations with key stakeholders across the province to initiate the development of a Long-term Affordable Housing Strategy. As part of the exercise in developing the Strategy, the Ministry has been working with its municipal partners to develop social housing performance measures. The Ministry expects to release the Strategy in 2010. The Ministry will collect the information necessary to monitor progress on the Strategy and on the goals and outcomes established. As part of the Strategy, the Ministry will consider requiring municipal service managers to develop local strategic plans.

The Ministry currently requires municipalities to report annually financial and statistical information on various municipal services they provide. In addition, social housing performance measures will be established and all municipalities will be required to report on the measures annually.

SUFFICIENT AND WELL-MAINTAINED SOCIAL HOUSING

Effective provincial oversight is needed so that the Ministry can make informed funding decisions and take appropriate, timely action on systemic issues affecting the provision of social housing. Further, good management information is needed to support the Ministry's oversight activities. As indicated in the previous section, the level of provincial oversight had been minimal since devolution. Consequently, there was little management information available at the Ministry. We identified a number of significant issues that had not been adequately addressed since devolution.

The following sections contain a discussion of some of these issues.

Waiting Lists for Social Housing

Much of the information available to the Ministry came from the annual Returns submitted by Service Managers. In addition to financial information, Service Managers are asked to confirm that they complied with the provincial requirement for maintaining the prescribed number of housing units and to provide supplemental information.

One piece of supplemental information provided by Service Managers related to prospective tenants on waiting lists, which, according to the latest Returns, stood at about 137,000 province-wide as of December 2008.

However, there was only limited additional information at the Ministry about the waiting lists. During our audit, we gathered additional information on the breakdown and length of the waiting list, as shown in Figure 1.

Overall, the size of the province-wide waiting list has remained fairly stable over the past five years. However, the list could include households that have given up because of the lengthy wait times and others that could have been placed on more than one list. Many urban centres have wait times of five or more years for new applicants—and

one reported wait times of up to 21 years for all applicants except seniors.

Conversely, we noted that some Service Managers reported vacancy rates ranging from 0% to more than 5%, with a few smaller jurisdictions as high as 12%. Several also had a high vacancy rate despite a lengthy waiting list. Although some vacancies are temporary and unavoidable, a persistently high vacancy rate could be attributable to such reasons as lack of demand, a mismatch between size of units and demand, or, in extreme cases, units that were unusable because of poor safety and sanitary conditions. The Ministry did not monitor or assess the wait times and vacancy rates being reported by the individual Service Managers.

Some Service Managers and jurisdictions have developed extensive information processes to assess the demand and supply for social housing. For example, information on the number and types of housing units, condition of housing stock, vacancies, and availability of special-needs housing would be useful to the Ministry in assessing social housing supply from a province-wide perspective. Data on population, by segment, number and composition of households, and income factors would also be useful in analyzing housing demand. Such information is critical for improving future housing-program design to ensure that limited funds are directed to the areas of greatest housing needs.

Co-ordination of Social Housing with Other Support Services

The order in which people on a waiting list get housing is chronological—first-come, first-served. The one exception to this rule under the *Social Housing Reform Act* is for special-priority applicants, who are primarily victims of abuse. Service Managers at some of the larger municipalities indicated that as units became available, between 25% and 40% of them were currently being occupied by these special-priority tenants, who require support services. Due to the urgent nature of their situations, the applicants on this list justifiably

Figure 1: Selected Wait-list Information, at December 2008

Source of data: Selected Consolidated Municipal Service Managers

Service Manager	Total # on Waiting List	Expected Wait Time for New Applicants (Years)			
		Overall	Seniors	Non-seniors	Families
A	86,600	4.5-6	4.5	4.5	6
B	13,328	7-21	7	21	21
C	9,691	2.5-4.5	2.5	4.5	4
D	5,839	7-10	7	10	9
E	1,564	0.5-8	0.5	8	2
F	1,447	4-13	6	13	4

receive priority for housing placement. Nevertheless, Service Managers indicated that many of these households also require complex social-support services and additional security arrangements, the provision of which most housing providers do not have the capacity to ensure.

In addition to special-priority housing, there were three provincial ministries that administer more than 20 other housing and related programs, including emergency shelters, housing for people with special health needs, and accommodations for the homeless. Service Managers indicated it had been difficult to co-ordinate their work and ensure special-needs tenants received the appropriate support services. Their view was reflected in a recent Provincial-Municipal Fiscal and Service-Delivery Review, which reported that the current system is a fragmented and inefficient approach to meeting client needs.

RECOMMENDATION 2

To help provide sufficient social housing efficiently and make the most of available funding, the Ministry of Municipal Affairs and Housing should work with Consolidated Municipal Service Managers to:

- establish more comprehensive reporting of information on social housing portfolios and wait-times so this can be taken into consideration in addressing the housing needs of individual municipalities;

- identify ways to better and more equitably address the issue of lengthy wait-times in many municipalities; and
- better co-ordinate housing and other support services with other provincial and municipal stakeholders.

MINISTRY RESPONSE

The Ministry agrees and will consider the Auditor General's recommendation in the development of its long-term Affordable Housing Strategy. While the Ministry currently collects information required to meet the terms of the *Social Housing Reform Act, 2000*, and its regulations, it will work with municipalities to identify and address other areas where additional and consistent information can benefit.

Support services are provided at the local level in keeping with the direction given under the recent Provincial-Municipal Fiscal and Service-Delivery Review, the Ministry will work together with municipalities to develop a consolidated housing service to better co-ordinate housing and other support services with other provincial/municipal stakeholders. Provincial-municipal discussions are under way on this topic.

Social Housing Portfolio

Like any other properties, buildings in the social housing portfolio require regular maintenance and periodic replacement of major capital items, such as roofs, underground garages, elevators, and mechanical systems to maintain and prolong their service life because it costs far more to build new units than to properly maintain existing ones.

Prior to downloading, all public-housing units were owned by the Ontario Housing Corporation and capital requirements were funded through the Corporation's annual budgeting process. In the case of privately owned non-profit and co-operative housing, each housing provider was required under its operating agreement with the province to contribute a portion of the operating subsidy to a separate capital-reserve fund to address capital repairs and replacements.

After the decision was made to transfer social housing to the municipalities in the late 1990s, the Ministry commissioned studies to determine the condition of the housing stock and the related capital-funding requirements for the public, non-profit, and co-operative portfolios. These studies concluded that the social housing stock was in good condition overall. The required annual capital funding for the publicly owned portfolio was determined to be in the \$100-million range. About \$52 million of this would be funded through the federal annual contribution and the remainder by Service Managers.

With respect to the non-profit and co-operative housing providers, their previous operating agreements with the province were terminated at devolution. The *Social Housing Reform Act* requires these housing providers to continue contributing to a capital-reserve fund. Except for a few large municipalities, their contributions were being managed by the Social Housing Service Corporation, created under the *Social Housing Reform Act* in 2002. Examples of the services that the Corporation provides include the pooling of capital reserves, group insurance, and bulk purchasing.

Condition of Social Housing Stock

Notwithstanding the reasonably good condition of the social housing stock at the time of devolution a decade ago, social housing stock has deteriorated since that time, particularly those properties within the public-housing portfolio. This has been a significant and growing concern to municipalities because the average property in the public-housing portfolio is close to 40 years old and capital maintenance costs are rising more quickly.

While this concern has been identified by various stakeholders, there was a lack of up-to-date and reliable information on the province-wide condition of housing stock. Currently, such information would only be available if housing providers carried out their own building-condition assessments, which provide estimates of the cost and time frames for repairing or replacing various building elements. The results could then be used, for instance, to create a capital-reserve fund to cover replacement costs. For example, the Toronto Community Housing Corporation, which owns 60,000 social housing units accounting for two-thirds of Toronto's social housing stock, carried out such an assessment in 2006 and estimated that \$300 million was needed for immediate capital repairs. However, the Ministry did not have any information on how this estimate was determined or the magnitude of this issue on a province-wide basis.

The average age of the non-profit housing portfolio was lower than that of public housing. Many non-profit projects were built in the late 1980s to early 1990s, resulting in an average age of about 18 years. In addition, the non-profit housing providers' agreements with Service Managers were structured to require reserve funds for future capital repairs. As of 2007, the Social Housing Services Corporation invested and administered approximately \$400 million in capital reserves on behalf of non-profit housing providers. Nevertheless, the Corporation indicated that some non-profit providers were in crisis and most of the properties were just reaching the stage in their life cycle where major repairs would be necessary. However, on an overall basis,

the non-profit housing portfolio was in better condition and should be better able to address its capital requirements than should public housing.

Service Managers indicated that, as the housing stock continues to age, access to suitable financing to help pay for maintenance and repairs was emerging as a major issue. One potential source of financing, for example, would be to re-mortgage properties. However, the province had generally not agreed to housing providers' proposals to refinance, citing the province's potential liability under the Social Housing Agreement that requires Ontario to compensate CMHC for any costs arising from the default of housing providers. In the opinion of some Service Managers it is they, and not the province, who are responsible for the costs of such defaults. The Ministry should re-assess the implications of the Service Managers' refinancing proposal to determine if it may be a viable solution.

Asset Management

Good asset-management practices, including regular preventive maintenance, are essential to prolong the life of housing assets and avoid costly repairs in future. In addition to lacking information on the condition of the social housing stock, the Ministry had no information about whether Service Managers have established good asset-management practices and whether housing providers were following them. The poor condition of some properties could be due to delays in carrying out the regular maintenance required to prolong the life of the assets. Due to increasing operating costs, we understand that some housing providers may be redirecting funds away from regular maintenance to fund more urgent day-to-day operations.

Energy-efficiency upgrades could also help free up some funds for maintenance. Older public-housing projects, for example, were built using less modern technology. Upgrading these buildings to contemporary energy-efficiency standards would generate operating-cost savings that could be used for other required capital-maintenance projects.

The Ministry has recently initiated the development of an asset-management strategy with the Social Housing Services Corporation to help housing providers improve their practices in this area. Although it was in the early stages of development, this is a much-needed initiative.

RECOMMENDATION 3

To ensure that the housing stock is safe and of acceptable quality and that it will achieve its expected service life, the Ministry of Municipal Affairs and Housing should work with Consolidated Municipal Service Managers to:

- carry out periodic building condition assessments and ensure that such information is summarized on a province-wide basis; and
- develop an effective funding and financing strategy for raising the capital investment required to reduce the capital maintenance backlog and sustain proper maintenance of housing stock, including consideration of requirements that a capital reserve be established for public housing stock.

The Ministry should also continue to work with the Social Housing Services Corporation to assess the cost/benefit of implementing modern energy-efficient measures, and facilitate adoption of such measures by housing providers.

MINISTRY RESPONSE

In 2008, the Ministry helped fund the establishment of an Asset Management Centre for Excellence by the Social Housing Services Corporation to provide the support and expertise that social housing providers can draw upon in maintaining their buildings. The Centre promotes and recommends best practices for building condition audits and other capital planning activities. Service Managers may choose to use some of the funding under the new Social Housing Renovation and Retrofit program established in 2009 to upgrade social housing projects for building condition audits.

With respect to raising the capital investment required to reduce the capital maintenance backlog, under the government's Poverty Reduction Strategy announced in 2008, most social housing providers are now able to apply to Infrastructure Ontario for low-cost capital loans. In addition, an Asset Leveraging Working Group co-chaired by the Ministry with the Social Housing Services Corporation is developing proposals for refinancing and renewing the social housing portfolio.

With respect to energy-efficient measures, there are minimum energy efficiency requirements under the new \$704-million Social Housing Renovation and Retrofit Program. Specifically, \$70-million of this new federal-provincial funding is targeted for renewable energy initiatives. The Ministry will continue to consider other options for energy efficiency in the sector.

FEDERAL FUNDING OF SOCIAL HOUSING

As part of the Social Housing Agreement, the federal government began providing annual block funding to the province in 1999. The funding has several components, including capital costs, ongoing operating costs, and debt-servicing costs. The first annual payment amounted to \$525 million and total subsequent payments decreased each year as the federal government's operating agreements with housing providers began to expire. Starting in 2015, a large number of agreements will begin to expire, which means Service Managers will have to maintain the same number of units with declining federal funding, as shown in Figure 2.

The province's *Social Housing Reform Act* requires Service Managers to maintain a prescribed minimum number of rent-geared-to-income units despite the eventual end of federal funding. No agreement has been reached with the federal government for continued funding and all agreements

will have expired by 2032. This issue is critical for some municipalities, who derive the bulk of their social housing budgets from federal funding.

Under these circumstances, some housing projects would no longer be financially viable because rental revenues are insufficient to cover operating costs, even when the property is mortgage-free. Properties housing a high proportion of households that pay low rent would be affected the most because they depend largely on government subsidies to meet operating costs. The expiry of these funding agreements without commitments to establish new ones could force non-profit and co-operative housing providers to stop providing a large number of social housing units. The majority of Service Managers who responded to our survey noted that they have yet to find a solution to deal effectively with this issue. The Ministry indicated the province has had ongoing discussions with the federal government regarding the pending decline in federal funding. However, there has not been any commitment from the federal government to renew the funding and the Ministry had not developed a contingency plan to address this situation.

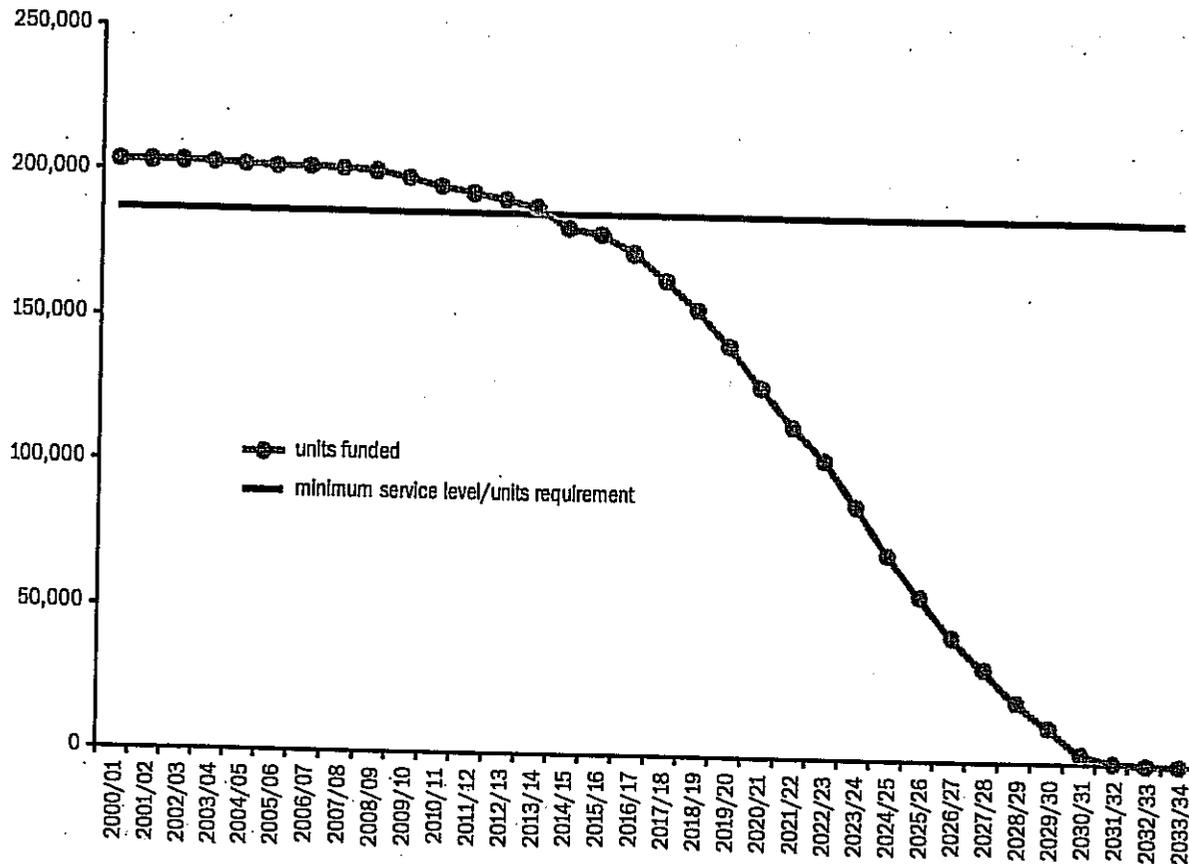
With respect to the provincial requirement for maintaining the prescribed minimum number of housing units, Service Managers indicated that the numbers were imposed by the province at the time responsibility for social housing was handed over to municipalities to protect the level of existing housing stock. Some Service Managers said that both the number and composition of housing units has never reflected the demographics and housing demand of municipalities, particularly as it has been nine years since the province downloaded this responsibility.

Service Managers also noted a difference between what the federal government transferred to the province under the Agreement and what the Service Managers received from the province, even though the Agreement stipulates federal funding must be used for eligible housing programs.

Our analysis of data supplied by the Ministry for the years 2000 to 2008 indicated that the federal government forwarded about \$4.8 billion

Figure 2: Expiry of Funding Agreements with Federal Government for Social Housing, 2000/01–2033/34 (Units)

Source of data: Ministry of Municipal Affairs and Housing



to Ontario for social housing during that period. Of that, approximately \$3.8 billion was allocated to Service Managers and their predecessors in the period before devolution took full effect in 2001 for eligible programs under the Agreement. Another \$414 million was allocated to other provincial and municipal social housing programs under the Agreement. For the remaining federal transfer of about \$620 million, ministry figures show:

- Approximately \$290 million was allocated to another provincial social housing program; and
- The province withheld \$330 million, of which it designated \$198 million—\$22 million a year for nine years—as what it called a “provincial constraint.” The Ministry was unable to provide support that this and the remaining, \$132 million were spent on housing.

The Ministry explained that Service Managers’ social housing expenditures and not just those of the province were counted towards fulfilling the Agreement’s term that federal funds be spent only on eligible social housing programs. As long as the combined annual social housing expenditures of the Ministry and Service Managers exceeded the total federal transfer, the Ministry considered itself to be in compliance with the Agreement. The Ministry indicated that its legal counsel had confirmed that there were no legal concerns about this arrangement.

Nevertheless, we noted that although the \$3.8 billion transfer to Service Managers was published in the Ontario Gazette, the Ministry had not disclosed the use of the remaining federal funds. Therefore, Service Managers generally were not aware of the portion of federal funds spent on other housing programs. Consequently, they questioned

the difference between what the federal government transferred to the province and what they actually received.

RECOMMENDATION 4

To mitigate the possible impact of continuing decreases in federal funding on the supply of social housing, the Ministry of Municipal Affairs and Housing should:

- develop a plan for options, should negotiations with the federal government for continued funding for the social housing portfolio be unsuccessful;
- work with Consolidated Municipal Service Managers on alternatives to the current system of maintaining the required number of housing units with an aim to better match the supply of social housing to the demand in each municipality;
- review its current methodology to ensure funding allocations are fair and federal funds are spent on eligible housing programs; and
- provide a full and public accounting of how all federal funding provided for social housing was spent.

MINISTRY RESPONSE

The Ministry, in co-operation with other provinces and territories, continues to face this issue with the federal government.

The consensus recommendations of the Provincial Municipal Fiscal and Service Delivery Review have supported the local responsibilities for social housing. Once expenditures identified to be transferred to the province have been implemented, municipalities will have \$1.2 billion a year in net benefits so that they can respond to social housing and other local priorities.

The Ministry will work with service managers to support them in understanding the levels of discretion they currently have to change the composition of social housing units

with their existing funding, and will meet their service standards requirement under the *Social Housing Reform Act, 2000*.

The Ministry will review its current methodology for federal funding allocations, including principles of fairness. We are consulting on a long-term affordable housing strategy that could include future funding relationships.

The Ministry currently provides accounting of its revenues and expenditures according to the Planned Estimates and Public Accounts process, and reports annually to the CMHC on how the federal funding received by the province under the Social Housing Agreement is spent. The Ministry will consider how best to provide further information on how federal funding received under the Agreement is spent.

RECENT FUNDING INITIATIVES

In partnership with the federal government, the province recently began to provide Service Managers with funding for new housing programs. We noted that the Ministry had sufficient controls in place to ensure Service Managers complied with the requirements of these new programs, but we found there was little information or front-end analysis in place to assess these new funding initiatives and ensure they would have the desired impact on social housing. There were, for example, no business cases that detailed all the costs and benefits of the new programs. In addition, there were virtually no accountability or reporting requirements for measuring the impact of funding provided. The following are some examples from our review of some of the new programs.

Delivering Opportunities for Ontario Renters [DOOR]

DOOR was a one-time, \$127-million capital grant program to Service Managers in the 2006/07 fiscal

year to support the delivery of housing for low-income households. Grants were made without condition or reporting requirements, leaving the Ministry unable to determine whether funds were being spent fulfilling the most critical social housing needs.

Social Housing Capital Repairs

In its 2008 budget, Ontario announced investments in municipal infrastructure that included \$100 million to address urgent capital-repair needs of the social housing stock. However, as the Ministry had no information on the condition of the social housing portfolio, allocations were made in the 2007/08 fiscal year based on each Service Manager's proportion of units in the social housing portfolio rather than on actual need for capital repairs as determined by ongoing condition assessment and sound asset-management practices.

Affordable Housing Programs

The CMHC defines households as being in core housing need if their dwelling falls below certain standards of adequacy, suitability, or affordability, which is defined as rent not exceeding 30% of gross total household income. In 2002, the Ontario government introduced the Canada–Ontario Affordable Housing Program (Program) in partnership with the federal and municipal governments. The Program, intended to create more than 18,000 units of affordable housing for households on social housing lists, or those eligible to be on such lists, included several components and had a total funding commitment of \$624 million as of March 31, 2009. The federal government contributed \$348 million of the total while the province contributed the remaining \$276 million. New affordable housing would be created primarily through construction of new rental units, home ownership, and through rent supplements to landlords. In Northern Ontario, funds would also be available to assist with home repairs. Our audit focused on two

components of the Program, as described in the following sections.

Rental and Supportive Program

The Rental and Supportive Program (Program) was intended to promote construction of new rental units for low- to moderate-income households by providing up to \$70,000 per unit. Currently, a federal contribution of up to \$26,600 per unit was to cover capital costs primarily, while the provincial contribution of up to \$43,400 per unit would pay mortgage and operational costs so as to keep rents affordable for 20 years. As of March 2009, commitments to the Program were about 10,000 units costing \$498 million.

Under the Program, housing providers would for 20 years charge affordable rent, defined as 80% of the average market rent as determined each year by the CMHC. Service Managers were required to establish maximum income levels under which households qualify for these units, along with a process for verification of tenant incomes.

According to Program guidelines, rental-housing-unit allocations were determined using a formula that took into account core housing needs and population growth. In addition, Service Managers were required to submit for the Ministry's approval a Housing Delivery Plan that addressed areas such as the housing groups to be targeted, eligibility criteria, and the strategy for take-up and delivery of the units. This was a good basis for making such allocation decisions and we found that the proposed Housing Delivery Plans contained comprehensive information on the municipalities' housing projects and their strategy. However, other than a checklist, there was no evidence that the Ministry had evaluated the Housing Delivery Plans and used the excellent information contained within to make their allocation decisions.

In addition, Service Managers had to report on their projects annually—but the only information required of them was the number of units occupied, and assurances that they were charging 80% of

average market rent for the units. They were not required to report on their success in meeting Program objectives or their Housing Delivery Plan. As well, the Ministry had not ensured that Service Managers submitted reports on a timely basis as required.

We noted that the Program objective of achieving 80% of the CMHC's average market rent for new units would be met, and that the overall supply of affordable housing did increase. However, many people on the waiting list could not afford the rent. The CMHC definition of affordable housing stipulates that households should not have to pay more than 30% of their pre-tax income on rent. We determined that more than half of the units in this Program would still be unaffordable for households on waiting lists, or eligible to be on the lists. For example, the average income of households on the waiting list in 2008 was \$15,000, putting their maximum affordable rent at \$375 a month. Our analysis showed that average rent for the new units was \$715 per month, meaning that households would need incomes of at least \$29,000 annually (on average) to consider these units affordable. The program may therefore assist moderate-income households but will do little for low-income households.

Housing Allowance/Rent Supplement Program

The Housing Allowance/Rent Supplement Program (Program) was established in 2005 to help bridge the gap between the rent that a household can afford and the actual market rent. This program was intended for lower-income households on, or eligible to be on, the waiting list. All funding for the program was provided by the federal government, which originally committed \$80 million for 5,000 units to be paid out in five-year agreements spanning the years 2005 to 2013. However, by March 2008, the deadline for committing to new agreements, the take-up had been just \$57 million and 3,721 units.

Service Managers attributed the relatively low participation level to concerns with the Program's

design. For example, they cited the fact that under the Program, the agreements could last just five years and apply only to vacant units. That left prospective tenants facing the expense of having to move again in five years when the subsidy ran out. Service Managers said they would have preferred the supplements be provided to households for existing units rather than require them to move to vacant units.

FUTURE FUNDING INITIATIVES

In addition to the above recent funding initiatives, in March 2009, as part of the federal-provincial economic stimulus package, both levels of government announced an increase in their investment in social and affordable housing of more than \$1.2 billion over the next two years, to be funded equally by the two levels of government. As indicated earlier, the Ministry's efforts had focused on ensuring Service Managers complied with program requirements. It had not established and dedicated staff resources toward monitoring the success of its funding programs in achieving their desired impact. Improvements to the Ministry's system of monitoring funding programs are needed to ensure these funds are spent cost-effectively.

RECOMMENDATION 5

To ensure that funding provided achieves the desired social housing impact, the Ministry of Municipal Affairs and Housing should require that:

- each new funding program is supported by a detailed business case, and
- adequate accountability mechanisms for reporting on the results achieved by Service Managers for the funds provided be put in place for all funding programs.

In addition, the Ministry should make any necessary changes to ensure it has the resources and organizational capacity to properly monitor

the effectiveness of funding it provides to Service Managers.

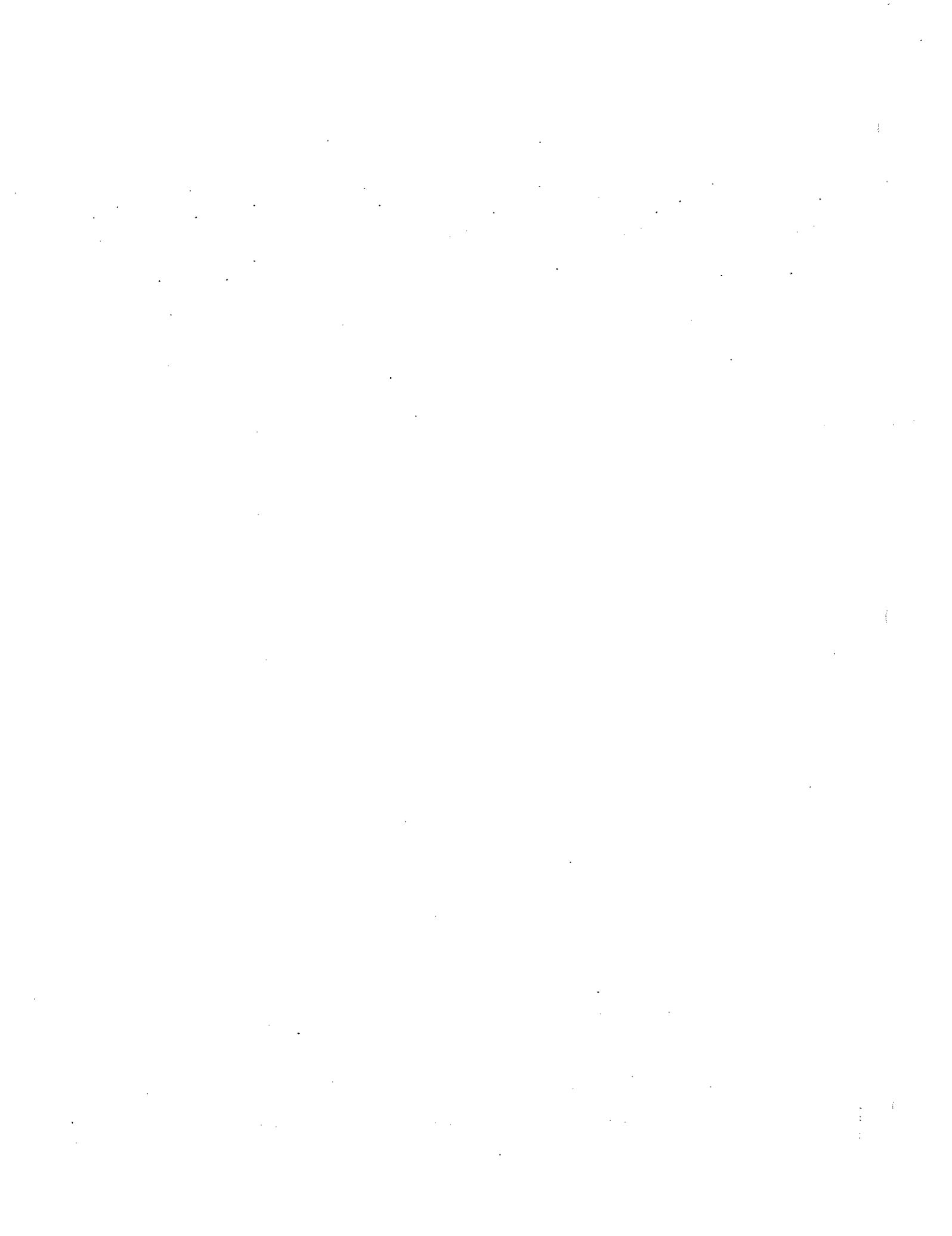
MINISTRY RESPONSE

The Ministry is required to submit a business plan to the Treasury Board as part of its requests for program funding. It will review its current practice in developing business cases, to identify and implement any improvements as may be required to ensure a detailed business case is developed for each funding program.

The Ministry will review the existing accountability mechanisms established for

reporting on results by municipalities. Where adequate accountability mechanisms are lacking, the Ministry will work with them to ensure they are in place.

The Ministry recognizes the need to review its resources and organizational capacity in light of the recent funding initiatives and directions provided under the Provincial-Municipal Fiscal and Service Delivery Review. The Ministry will assess its current resource requirements to undertake its obligations and monitor the effectiveness of funding provided to Service Managers.



Chapter 3
Section
3.11

Ministry of Community and Social Services

Ontario Works Program

Background

The Ministry of Community and Social Services (Ministry) provides social assistance under two programs to approximately 450,000 individuals as well as their qualifying family members for a total of over 700,000 people. Under the provisions of the *Ontario Disability Support Program Act*, income and employment supports are provided to approximately 250,000 individuals with eligible disabilities, as defined by the act. Under the *Ontario Works Act*, the subject of this audit, the Ontario Works program provides income and employment assistance to approximately 200,000 individuals in temporary financial need, who are unemployed or underemployed. Ontario Works income assistance

is intended to help eligible applicants with basic living expenses such as food, clothing, personal needs, and shelter. Employment assistance for eligible applicants includes a variety of activities intended to increase their employability and help them obtain employment and become self-reliant.

Basic income assistance under Ontario Works is generally less than comparable payments under the Ontario Disability Support Program. A comparison of typical monthly benefits, all of which are tax-free, between the time of our last audit in 2002 and the 2008/09 fiscal year appears in Figure 1.

In addition to income assistance, Ontario Works recipients also may be eligible for benefits for a number of other items to assist in specific circumstances on the basis of established need. These include:

Figure 1: Maximum Monthly Ontario Works Benefits (Tax-free)

Source of data: Ministry of Community and Social Services

	Single Person		Single Person With One Child		Couple With One Spouse Disabled and Two Children	
	2001/02	2008/09	2001/02	2008/09	2001/02	2008/09
basic needs allowance (\$)	195	216	446	360	576	429
maximum shelter allowance (\$)	325	356	511	560	602	660
Total (\$)	520	572	957	920	1,178	1,089
comparable ODSP benefit (\$)	930	1,020	1,424	1,423	1,816	1,680

* reduction due to the introduction of the Ontario Child Benefit

- health-related necessities, including medical supplies, and basic dental and vision care;
- community start-up benefits to assist in the establishment of a permanent residence; and
- employment start-up and participation-related expenses, including transportation, training fees, and clothing.

To be eligible for assistance, applicants must demonstrate financial need by providing evidence that their non-exempt liquid assets and income levels fall below specified amounts. In addition, applicants also are required to sign an agreement to participate in one or more activities designed to gain skills and progress toward sustainable employment, unless granted a deferral for medical or other reasons.

The Ontario Works program is delivered on behalf of the Ministry by 47 Consolidated Municipal Service Managers and District Social Services Administration Boards as well as 100 First Nations, referred to as service managers. A service manager is typically either a large municipality or a grouping of smaller ones, and each one is accountable to one of the Ministry's nine regional offices. Service managers have been designated the regulatory authority to make eligibility determinations.

The Ministry and the service managers share the total financial and employment assistance costs of the Ontario Works program, as shown in Figure 2. The Ministry, which pays 80% of these costs, has committed to start gradually increasing its share in 2010 until it pays 100% in 2018. Administrative costs will continue to be shared on a 50/50 basis up to the approved budget.

In the 2008/09 fiscal year, the Ministry's share of income assistance provided to individuals

through Ontario Works was more than \$1.5 billion. The Ministry spent a further \$194 million for program administration and \$171 million on employment assistance programs. The Ministry's total Ontario Works expenditure for 2008/09 was therefore about \$1.9 billion.

Since the time of our last audit in 2002, the program's caseload has increased by 3% and the Ministry's share of program expenditures has increased on average by approximately 2% per year, as shown in Figure 3. The administration of Ontario Works is supported by the Ministry's computerized information system, commonly referred to as the Service Delivery Model Technology (SDMT) system. The system was implemented province-wide in 2002.

Audit Objective and Scope

Our audit objective was to assess whether the Ministry's policies and procedures for the Ontario Works program and its oversight of the Consolidated Municipal Service Managers were adequate to ensure that:

- only eligible individuals received the correct amount of financial assistance as well as appropriate employment assistance to help them find paid employment and become self-reliant; and
- the Ontario Works program was delivered with due regard for economy and efficiency.

The scope of our audit included a review and analysis of relevant ministry files, policies, and procedures, as well as interviews with appropriate staff at the Ministry's head office, at three regional offices (Toronto, Hamilton-Niagara, and Northern), and at three municipal service managers that we visited. Collectively, the three service manager offices we visited represented approximately 40% of the Ministry's total program cost. We also requested summary statistics and other information about the program from the 44 service managers

Figure 2: Cost-sharing of Ontario Works Expenditures (2008/09) (%)

Source of data: Ministry of Community and Social Services

	Ministry	CMSM
income assistance	80	20
employment assistance	80	20
administration	50	50

Figure 3: Ontario Works Caseload and Ministry Share of Expenditure

Source of data: Ministry of Community and Social Services

Year	# of Cases	% Change	# of Dependents	Total Beneficiaries	Total Ministry Expenditure (\$ million)	% Change
2001/02	196,596		222,897	419,493	1,669.2	
2002/03	195,137	(0.7)	208,930	404,066	1,726.0	3.4
2003/04	192,096	(1.6)	197,657	389,751	1,639.5	(5.0)
2004/05	191,723	(0.2)	188,946	380,669	1,677.0	2.3
2005/06	198,378	3.5	188,424	385,806	1,753.2	4.5
2006/07	199,242	0.4	189,826	383,068	1,794.5	2.4
2007/08	194,920	(2.2)	176,955	371,873	1,807.4	0.7
2008/09	202,181	3.7	178,261	380,446	1,899.2	5.1

that we did not visit, and over 80% responded to our request.

We retained the services of an IT security specialist to help us assess the security of the SDMT system and follow up on system-security issues identified in previous audits. We also met with senior representatives of a client stakeholder group that advocates on behalf of social assistance recipients to obtain their perspective on the issues facing Ontario Works.

We set objectives for what we wanted to achieve and developed audit criteria that covered the key systems, policies, and procedures that should be in place and operating effectively. We discussed these criteria with senior management of the Ministry, who agreed to them. We then designed and conducted tests and procedures to address our audit objectives and criteria.

Although our audit work, particularly with respect to income and employment assistance, often covered a number of years, our findings emphasized the assessment of, and compliance with, the policies and procedures in place for the Ontario Works program during the 2007/08 and 2008/09 fiscal years.

We also reviewed a number of recent audit reports issued by the Ministry's Internal Audit Services, many of which related to specific aspects of the SDMT system. These reports contained a

number of findings that we considered in determining the scope of our own review of the SDMT system. However, none of the reports concentrated on basic needs and shelter allowance, employment assistance, and program administration costs, which together constituted the main focus of our audit. We were, therefore, unable to rely on these reports to reduce the scope of the primary focus of our work.

Summary

Although the Ministry has implemented a number of the changes we recommended in our 2002 audit, there has been limited improvement in the administration of the Ontario Works program since that time. It remains our view that the Ministry still has inadequate assurance that only eligible individuals receive financial assistance and in the correct amount. Although the Ministry considers Ontario Works financial assistance to be a temporary measure, about one-third of the recipients in the three municipal service managers' offices we visited were receiving payments for longer than two years and some 13% for more than five years.

An appropriate level of oversight is necessary if the Ministry is to have confidence that only eligible

individuals receive financial assistance and in the correct amount. We found that further improvements in overseeing service delivery were needed. As well, given the size and scope of Ontario Works, the supporting information technology system must be reliable and provide the information needed to enable the program to be effectively managed. We again had concerns in this area.

With respect to the Ministry's oversight of Ontario Works program delivery by the service managers, our specific concerns included the following:

- During the Ontario Works application process, municipal service managers rely on individuals to provide almost all the information used to determine their initial eligibility for income assistance. The risk of new applicants under-reporting their income and assets is compounded by the fact that the service managers seldom undertook the required third-party verifications—because they felt they were not necessarily required at the initial eligibility stage.
- Many assistance recipients did not submit the required income reports every month—often failing to do so for extended periods of time—and we seldom found any documentation on file to indicate that this reporting stipulation had been waived.
- Benefits for such things as community and employment start-up activities were often paid without any evidence that the activity had occurred and/or documentation to support the amount reimbursed. Such payments also often exceeded established maximums.
- Many applications for special dietary allowances were associated with questionable circumstances. For example, we found several instances where each member of a large family was diagnosed by a health-care practitioner with identical multiple medical conditions. As a result, in one example, a family of 10 people each received the maximum special dietary allowance of \$250 per month, or about \$30,000 a year for the entire family (combined with other allowances, such a family would receive approximately \$50,000 in a year, tax-free). The total amount spent on dietary allowances has increased from \$5 million in the 2002/03 fiscal year, the time of our last audit, to more than \$67 million during the 2008/09 fiscal year.
- Unrecovered overpayments to approximately 350,000 current and former Ontario Works recipients increased from \$414 million in February 2002 to \$600 million as of March 31, 2009—a 45% increase. Efforts by service managers to recover these overpayments had been minimal, possibly owing in part to the lack of financial incentive for them to do so.
- Many tips from the fraud hotline were either inadequately investigated or ignored.
- We found little evidence in recipient files to indicate that the service manager caseworkers were involved in determining the most appropriate employment assistance activity and there is no standard requirement to document this process. Rather, recipients usually selected the activity that they felt was best suited to get them back into the workplace. Our province-wide analysis showed that two-thirds of recipients listed “independent job search” as the most beneficial activity.
- We found that the Ministry's required reviews of a sample of service-manager files were being done on time and that the work was being reasonably well done. However, even though the Ministry was noting many of the same systemic file deficiencies that we identified during our audit, there seemed to be little progress in addressing those deficiencies from one year to the next.
- The Ministry's examinations of a sample of service managers' reimbursement claims did not occur on an annual basis as required, nor did the Ministry ensure that submitted claims were complete, accurate, and based on actual payments made to recipients. These reviews

are critical given the fact that the Ministry's subsidies totalled \$1.5 billion in the 2008/09 fiscal year.

- The Ministry continued to reimburse service managers' administrative costs on an historical basis rather than on a formula based on costs per case. At the same time, the Ministry lacked the detailed information necessary to assess the reasonableness of the service managers' expenditures for administration. In addition, some service managers felt that they were absorbing much more than their 50% share of approved administrative costs.
- The Ministry had insufficient information to assess whether employment assistance funds were being used as intended and whether these expenditures were actually helping people obtain employment.
- The Ministry had very little information available to assess the efficiency and effectiveness of program delivery. However, the Ministry introduced outcome measures as a pilot project in 2006, to be reported on by service managers over two-year cycles. The first of those two-year cycles began in 2008 and required service managers to track performance and assess employment strategies based on outcome targets.

Despite improvements to the Ministry's Service Delivery Model Technology information system since its rollout in 2002—many of which were intended to enhance reliability as well as the completeness and accuracy of its information—the system continues to have reliability concerns and known deficiencies. They included:

- SDMT system users did not receive in an easily understandable format the information they needed to effectively manage and oversee the program. In addition, the system lacks a report-writing function that allows users to easily extract the information they need on an ad hoc basis.
- Service managers told us that they compensated for the SDMT system's limitations by

developing approximately 150 different work-around systems and processes. The service managers advised us that the development of many of these standalone workarounds incurred considerable costs and time. For instance, most service managers maintain standalone systems to manage the Ontario Works employment assistance function, a critical component of the program that the SDMT does not cover as comprehensively as required.

- Although there is a reasonable level of security control to protect the system from external attacks, it is not adequate to prevent an internal system user with IT knowledge from escalating restricted access to full access, which increases the risk of fraudulent payments being made.

We understand that the government has designated the SDMT system as a priority as part of its project to remediate high-risk applications. The Ministry is reviewing its options for potential system refinements or other opportunities to improve the system's technology. It is to prepare a business case in this regard for late autumn 2009.

OVERALL MINISTRY RESPONSE

The Ministry of Community and Social Services welcomes the findings and recommendations of the Auditor General with respect to the delivery and oversight of the Ontario Works program. This is a vital service for some of the most vulnerable citizens of Ontario, particularly in the current economic times. The Ministry has taken steps over the past several years to improve program oversight and management, and will continue to focus efforts on improving program administration.

Detailed Audit Observations

MINISTRY OVERSIGHT AND CONTROL OF PROGRAM DELIVERY

Program Delivery Overview

In most cases, an individual starts the application process for Ontario Works benefits by visiting or telephoning the local municipal service manager. During this initial contact, service manager staff provide the individual with information regarding the application process, including eligibility criteria and the information and documentation required to complete the application. Service manager staff also obtain basic information about the individual such as name, address, age, number of dependants, and so on, which is entered into the SDMT system.

A decision with respect to eligibility for assistance is made after the application process is completed at an in-depth, intake appointment. The Ministry's goal is to have service managers conduct the appointment and make a decision within four days of the initial contact.

For the application to be complete, applicants must provide all of the previously requested information and supporting documentation. To be financially eligible, a person's total non-exempt assets must be at or below:

- \$572 for a single person; and
- \$989 if there is a spouse in the benefit unit (family).

(These amounts are generally increased by \$500 for each eligible dependant.)

Certain items, such as a principal residence, a primary vehicle valued at less than \$10,000, a locked-in RRSP, and pre-paid funeral expenses, are excluded when determining whether the person's assets are below the prescribed limit. To be eligible for even a partial Ontario Works benefit, 100% of the applicant's total family non-exempt income must be less than the amount of the potential Ontario Works entitlement. After three months of

assistance, 50% of earned income and amounts paid under a training program are exempt as income when determining eligibility.

Applicants, their spouses, and any other dependent adults in the benefit unit must sign a participation agreement. This agreement requires that the individual takes part in selected employment assistance activities and makes reasonable efforts toward seeking and obtaining paid employment. If the applicant has provided all of the necessary information and documentation, a final decision is made and communicated in writing.

A request for emergency assistance can be made at any time during the application process, and up to 16 days of emergency income assistance for basic needs and shelter may be provided before a full application is required to be completed.

In cases where the application is denied, applicants can request an internal review within 30 days. The review, conducted by another caseworker or a supervisor, must be completed within 10 days of the request being received. If a review is not completed within 10 days, or the applicant is not satisfied with the internal review decision, he or she can appeal to the Social Benefits Tribunal, an independent body that operates at arm's length from the Ministry and the service managers.

Initial Financial Eligibility Assessment

As noted previously, applicants must provide municipal service managers with the necessary information to establish their eligibility for assistance and to determine the correct amount to be paid. They are required to provide a number of documents that, depending on the document, must be either visually verified and have its relevant details noted in the computer system or copied and placed on file. These documents include a Social Insurance Number card, Ontario Health Insurance card, birth certificate, and any other document considered necessary to verify a person's identity and legal status in Canada.

To determine the correct amount of assistance to be paid, applicants also must provide such things as monthly bank statements, pay stubs, records of employment, vehicle ownership registration forms, and evidence of shelter costs incurred.

Our review of a sample of files for individuals receiving Ontario Works benefits found that, in many cases, critical documents necessary to conclusively establish an applicant's identity and/or legal status were either not visually verified or a copy had not been placed on file as required.

For example, at one municipal service manager we visited, some 8% of all recipient files lacked a Social Insurance Number, an omission that makes it difficult, for example, to detect duplicate payments. Similarly, in a number of instances, there was no evidence on file that the recipient's proof of identity, date of birth, or legal status in Canada had been verified.

There is also an obvious risk that applicants could understate their income or assets when seeking assistance. As well, there is no assurance that an applicant has provided a bank statement for each account in his or her possession or all the pay stubs relevant to determining financial eligibility.

To help overcome this risk and help verify that the income and assets declared by applicants are complete and accurate, the Ministry has entered into a number of third-party, information-sharing agreements. These include arrangements with Human Resources and Skills Development Canada for employment insurance information, with the Canada Revenue Agency for tax return information, with Equifax for credit information, with the Ontario Ministry of Transportation for vehicle ownership information, and with the Family Responsibility Office to ascertain any support payments received.

The Ministry advised us that service managers must verify a recipient's declared income and assets with these organizations at the time of initial eligibility determination and during all subsequent financial eligibility reassessments. However, staff at the three service managers we visited did not

interpret the Ministry's directives as requiring third-party verifications at the initial financial eligibility stage and, in practice, seldom undertook third-party verifications at that time.

Although service manager staff acknowledged that third-party verifications were required at the time of a subsequent financial eligibility reassessment, we found that sometimes they were also not completed at that time.

In our *2002 Annual Report*, we highlighted our concerns over ineligible applicants possibly receiving financial assistance. At the time, we said the Ministry "should reinforce with service managers its requirements for obtaining, documenting, and correctly assessing the required recipient information." The Ministry advised us then, as well as in our follow-up in the *2004 Annual Report*, that it would address this concern, yet many of the same issues are still not being adequately addressed.

RECOMMENDATION 1

To ensure that an individual's initial financial eligibility for Ontario Works benefits is adequately determined and that the correct amount of assistance is paid, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers:

- visually verify documents or obtain copies of all documents required to establish an individual's identity and legal status in Canada, especially Social Insurance Number cards; and
- comply in all cases with the requirement to verify an applicant's declared income and assets with the third parties who have entered into information sharing agreements with the Ministry.

MINISTRY RESPONSE

The Ministry recognizes the need to ensure that only eligible persons are provided assistance through Ontario Works and that the assistance provided is in the correct amount.

The Ministry has program verification standards in place to ensure initial and ongoing eligibility, and will take steps to ensure that service managers understand and comply with the program verification standards and requirements.

Financial Eligibility Reassessments

Ministry policy requires that municipal service managers reassess the continued financial eligibility of all their Ontario Works recipients at least once every 12 months from the time of the last assessment. In doing so, service managers are expected to follow a Ministry-developed Consolidated Verification Process (CVP) checklist that requires completion of most of the same procedures, including third-party verifications, that were to have been undertaken during the initial financial eligibility assessment. In addition, the SDMT information system flags each recipient's priority for an eligibility reassessment as high, medium, or low, on the basis of programmed risk factors. Service managers are expected to prioritize and complete the CVPs accordingly.

However, we found that financial reassessments were not conducted at least once every 12 months in approximately half the files we sampled. In fact, in some instances, a financial eligibility reassessment had not been completed for up to five years. In one such case, undeclared income for a recipient that could have been detected through a third-party verification resulted in a \$38,000 overpayment over a four-and-a-half-year period. No CVP review was conducted during that time, so the recipient's income was not checked with the Canada Revenue Agency, as required by ministry policy.

Furthermore, service manager staff did not follow the Ministry-prescribed CVP checklist about one-quarter of the time. Regardless of whether the checklist was used, the necessary documentation was not on file in many cases to demonstrate that staff had adhered to the CVP requirements. Compounding our concerns over the lack of proper reassessment, we found that third-party verifica-

tions were not being conducted about one-third of the time at one service manager we visited.

We also note that none of the three service managers we visited used the SDMT system risk flags or were not using them as intended to identify high-risk recipients so that CVPs could be conducted on them first. However, one of the three service managers had developed its own risk-ranking system that it thought was more effective.

RECOMMENDATION 2

To ensure that recipients continue to be financially eligible for Ontario Works benefits and to avoid overpayments, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers:

- complete financial reassessments on each recipient at least once every 12 months as required;
- use the Ministry-prescribed checklists when conducting a financial reassessment and obtain sufficient documentation, including third-party verifications, to support the outcome of the review; and
- help ensure that the risk flags in the Service Delivery Model Technology system are effective and are used to prioritize high-risk cases for review.

MINISTRY RESPONSE

The Ministry agrees that appropriate action should be taken to verify ongoing eligibility.

The Ministry has program verification standards in place to ensure initial and ongoing eligibility, and will take steps to ensure that service managers understand and comply with program verification standards and requirements.

In addition, the Ministry will be implementing a risk-based approach to Ontario Works financial eligibility reassessments. This risk model will help to ensure that only eligible recipients remain on the program and that they receive the correct payments.

Other Income Reporting

As was the case at the time of our last audit, recipients are required to report income on a monthly basis—including changes in income—to help service managers determine ongoing eligibility for assistance and the correct amount of assistance to be paid. For recipients that have been on assistance for three months, 50% of their earned income or amount paid under a training program is deducted from the amount of their assistance. Non-exempt income from all other sources is deducted at a rate of 100%. However, service managers now have the discretion to waive the monthly income-reporting requirement for recipients who, according to one of the program’s directives, “have no income to report or have a static or fixed income.”

Our review of a sample of case files found that monthly income reports were frequently not submitted for many months, or not at all. In these cases, there was no evidence that the service manager had waived the monthly income-reporting requirement. One service manager indicated that its practice was to generally waive the income-reporting requirement in all cases—requiring the report on an exception basis only—and that there was therefore no need to document the waiver in each recipient file. However, in the absence of a waiver or any follow-up, it was unclear whether the recipient had income that should have been considered in determining the following month’s entitlement. In that regard, we noted that the external auditor of one service manager found that over 60% of overpayments in a sample reviewed had resulted because recipients had failed to report their income.

RECOMMENDATION 3

To ensure that financial assistance provided by Ontario Works is in the correct amount and to minimize overpayments, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers receive a monthly income report from each

recipient, unless they waived the requirement for sound reasons that are documented on file. If it is the Ministry’s intention that Consolidated Municipal Service Managers require the report on an exception basis only, that should be more clearly communicated.

MINISTRY RESPONSE

The Ministry recognizes the need to ensure that only eligible persons are provided assistance through Ontario Works and that the assistance provided is in the correct amount. The Ministry will reassess the current requirements for income reporting. Following this reassessment, we will clearly communicate requirements and reinforce service managers’ compliance.

Other Financial Assistance and Benefits

Ontario Works recipients may be eligible to receive supplemental income assistance or benefits in addition to assistance for basic needs and shelter. The most common supplemental assistance categories are shown in Figure 4.

Figure 4: Examples of Other Financial Assistance and Benefits

Source of data: Ministry of Community and Social Services

Benefit Type and Frequency	Maximum Amount (\$)	2008/09
		Expenditure (\$ million)
community start-up and maintenance (once every 24 months)	799 single 1,500 family	171
special dietary allowance (monthly)	250	67
employment-related expenses (monthly)	250	50
other employment and employment assistance activities (once every 12 months)	253	27
funerals and burials	2,250	5

Examples of mandatory supplemental benefits for all eligible recipients or members of a recipient's benefit unit (family) include community start-up and maintenance benefits, other employment and employment activities benefits, and dental and vision care benefits for dependent children.

Other supplemental benefits can also be provided on a case-by-case basis at the discretion of the service manager. Examples of discretionary benefits include dental and vision care for adults, the cost of funerals and burials, and moving expenses.

Adequate documentation is to be placed in each recipient's file or noted in the computer system to support the decision to pay the supplemental assistance and benefit, and the amount paid.

Our review of the supporting documentation in a sample of recipient files found the following:

- There often was no evidence on file that community or employment start-up events—such as moving or taking a course, for which one-time supplemental assistance was provided—had occurred. For example, one service manager automatically made an annual employment start-up payment of \$253 to everyone who was participating in any employment activity. However, the money is intended for recipients starting an activity for the first time that year, as opposed to a recurring annual payment.
- Similarly, the need for the various types of supplemental benefits provided often was not established. For example, several service managers automatically paid \$100 a month for employment-related expenses to every participant that signed a participation agreement without establishing eligibility and requiring receipts. We noted that for one service manager, these monthly payments totalled more than \$19 million in 2008.
- In most cases, there were no receipts on file, nor were there any notes in the SDMT system, to demonstrate the reasonableness of the amounts paid to the recipients, contrary to the program's requirements.

- Payments for various types of supplemental benefits frequently exceeded the established maximums. For example:
 - Service managers frequently paid training fees in amounts ranging from \$7,000 to \$13,000 per year under the "employment-related expenses" category, which has an average annual limit of \$3,000 and is intended for minor training costs, certification fees, and other costs that support a person's progression to employment. This \$3,000 limit can only be exceeded with formal approval by the service managers' administrator, which was not received. Employment-related expenses are paid out of a set envelope for employment assistance.
 - In one instance, an individual received nearly \$13,000 in overpayments because an entitlement had been incorrectly inputted. Instead of receiving a one-time, \$799 payment for community start-up and maintenance assistance, the person received that amount on a monthly basis for 17 months before the error was discovered.

We had similar observations relating to supplemental payments in our *2002 Annual Report*.

Special Dietary Allowance

A special allowance is to provide for additional assistance to each recipient and their families who require a special diet as a result of an approved medical condition. Before such an allowance can be provided, a health care professional—such as a doctor, nurse or dietitian—must complete an official application. A special-diet payment schedule issued by the Ministry is used to determine the amount of the allowance, depending on the medical condition. The amounts generally vary from \$10 to \$100 per condition per month. However, the total allowance for any one member of a family may not exceed \$250 per month.

Province-wide, the total spent on special dietary allowances has increased substantially since the time of our last audit. In the 2002/03 fiscal year, annual special dietary payments totalled \$5 million; in the 2008/09 fiscal year, the amount exceeded \$67 million, a more than 12-fold increase. A significant part of this increase may be due to a campaign by advocacy groups critical of Ontario Works allowance amounts. At least one such organization has organized clinics where health-care professionals have immediately completed special diet allowance applications that entitled each attendee to the maximum \$250 monthly supplement.

In light of the significant increase in special dietary allowance expenditures, one of the service managers that we visited took the initiative to review more than 1,000 of its clients receiving the allowance. It found that one of the 318 health-care practitioners who approved the 1,000 applications reviewed was responsible for approving almost 20% of them. As well, that same practitioner, a general practitioner, diagnosed, on average, nine medical conditions per applicant, compared to an average of about two per applicant diagnosed by other health-care professionals. Furthermore, this doctor diagnosed Celiac disease in 99% of the applications, which we feel is unreasonably high given that the nationwide incidence of this disease is estimated at 1% of the population. This service manager, and one other that we visited, formally requested in 2008 that the Ministry review the special dietary allowance province-wide. At the time of our audit, a formal province-wide review of the program had not been initiated.

Our review of a sample of case files found the following:

- There were some instances where families consisting of eight to 10 members had all been diagnosed with the same multiple medical conditions, entitling all to the maximum special dietary allowance of \$250 per month. As a result, some of these families were receiving up to \$30,000 a year from these dietary

allowances alone, or approximately \$50,000 in total allowances annually, all tax-free.

- There were a number of instances where an application for a special dietary allowance was completed by a health-care professional outside of the applicant's immediate municipal area, which leads one to suspect that many applicants go to a professional that is known to be predisposed to approve such requests.

RECOMMENDATION 4

To ensure that supplemental financial assistance and benefits provided under the Ontario Works program are reasonable and appropriate, the Ministry of Community and Social Services should make certain that Consolidated Municipal Service Managers:

- comply with the requirements to document the need and eligibility for supplemental financial assistance and benefits, and provide such assistance and benefits within the established maximum amounts; and
- obtain the required documentation to assess and substantiate the reasonableness of costs reimbursed.

In addition, the Ministry should review the special dietary allowance with a view to limiting its possible abuse.

MINISTRY RESPONSE

The Ministry agrees that the supports provided through Ontario Works should be reasonable and appropriate. The Ministry will reinforce with service managers the requirement to have appropriate documentation to support the provision of benefits within the established maximum amounts, where applicable.

The Ministry is continuously looking for ways to improve the Special Diet Allowance. In 2005, the Ministry introduced changes to the policy, the application process, and the application form in an effort to clarify the intent of

the allowance and to reduce the potential for misuse. Since that time, the Ministry has been monitoring the allowance through consultation with municipalities and other stakeholders, and will reassess practices and procedures to identify ways to further protect against misuse.

Overpayments

Overpayments occur when recipients are paid more assistance than they are entitled to receive. There are a variety of reasons for overpayments, ranging from fraudulent misrepresentation to incorrect evaluation of information. As of March 31, 2009, outstanding Ontario Works overpayments totalled \$600 million.

Specifically, overpayments to approximately 60,000 active accounts totalled over \$140 million, while overpayments to approximately 290,000 inactive or terminated accounts totalled approximately \$460 million. Of the total amount, \$67 million had been declared as “temporarily uncollectible” and not subject to collection effort. The overpayment amounts do not include outstanding balances that were transferred to another social assistance program as a result of the recipient moving to that program or that were written off.

Collection efforts by municipal service managers from inactive or terminated accounts are extremely limited. In general, they consist of sending three SDMT-generated collection letters over a 60-day period requesting that the debtor make arrangements to repay the outstanding amount. Not surprisingly, the amounts collected by service managers from inactive or terminated accounts in the 2008/09 fiscal year totalled less than \$9 million, or 2% of the outstanding \$460 million.

Service managers do not review or assess an overpaid individual’s ability to repay. As a result, they do not concentrate their collection efforts on former recipients who, for example, have returned

to work or have acquired considerable assets and may now have the ability to repay.

Some service manager staff advised us that collection from inactive accounts is not seen as a priority because service managers pay 50% of the collection cost but retain only 20% of any collected amounts. In response to this issue, the Ministry initiated a pilot project with one service manager in 2006 whereby approximately \$6.8 million from inactive, delinquent overpayment accounts was transferred to the Ministry’s Overpayment Recovery Unit for referral to the Canada Revenue Agency’s Refund Set-off Program.

However, collections on these transferred accounts were also disappointing, and the pilot project has not been rolled out across the province. We note that one of the service managers we visited wanted to retain the services of an outside collection agency but put that initiative on hold pending the outcome of the Ministry’s pilot project.

With respect to collecting the \$140 million in overpayments from active accounts, service managers can offset up to 10% of a recipient’s current monthly benefits against any outstanding overpayments. However, in practice, service managers generally limit the offset to 5%. In addition, service managers have designated about 10% of these active overpayment accounts as temporarily uncollectible for a variety of reasons, such as hardship to the individual.

We found that, contrary to requirements, the reason for deferring collection of temporarily uncollectible accounts often was not documented in the system. In addition, caseworkers without supervisory approval can designate any overpayment as temporarily uncollectible and defer collection efforts indefinitely.

RECOMMENDATION 5

To better utilize its limited resources and maximize the recovery of previous overpayments, the Ministry of Community and Social Services should:

- ensure that Consolidated Municipal Service Managers assess the collectibility of all outstanding overpayments—particularly those designated as temporarily uncollectible—and, where warranted, recommend that the overpayments be written off so that more focus can be placed on those accounts where collection efforts are more apt to yield results; and
- evaluate the merits of the 2006 pilot project that transferred some overpayments to the Ministry's Overpayment Recovery Unit and, if necessary, consider implementing other alternatives for bringing a more intensive and focused collection effort to bear on those inactive accounts that have a greater likelihood of collection.

MINISTRY RESPONSE

The Ministry agrees that overpayment recovery must be maximized and has implemented business and technology changes to facilitate the recovery of overpayments.

The Ministry is looking at the results of its 2006 pilot project on overpayment recovery and will continue with its efforts on mitigating overpayments, including the implementation of a risk-based approach to Ontario Works financial eligibility reassessments. This risk model will help to ensure that only eligible recipients remain on the program, and that the payments they receive are in the correct amount.

Finally, the Ministry is assessing the feasibility of accelerating the write-off of aged overpayments and prioritizing overpayment collection on the basis of past and present recipients' ability to repay.

benefits on applicants found to have made previous fraudulent claims. The Ministry continues to operate a Welfare Fraud Hotline where people can report cases of suspected fraud.

Currently, all fraud tips are to be assessed by service managers and, where appropriate, referred to a service manager's eligibility review officer. If an investigation confirms that a recipient has received funds that the individual was not entitled to, income assistance is reduced or terminated, as appropriate. Where sufficient evidence exists to suspect intent to commit fraud, the case is to be referred to the police for investigation and possible criminal prosecution.

We reviewed a number of tips received from the Welfare Fraud Hotline and had the following concerns:

- Two of the service managers we visited had no policies in place regarding timelines for investigations. As a result, many investigations into fraud tips were not considered in a timely manner. In fact, numerous tips had not been acted upon for up to three years.
- In many cases, action taken was weak and inadequate. For example, at two service managers, many recipients named in hotline tips were merely asked to sign a statement denying the fraud allegation.
- The number of cases that go forward to the police for fraud investigation is extremely low—approximately 1% of all tips at the service managers we visited. The service managers we visited indicated reluctance on their part, as well as on the police's, to proceed with criminal action in most cases.

RECOMMENDATION 6

To ensure that only eligible individuals receive financial assistance and that adequate action is taken when suspected fraud is reported, the Ministry of Community and Social Services should ensure that Consolidated Municipal Service Managers:

Potentially Fraudulent Claims

Since the time our last audit, the Ministry revoked the lifetime ban for receiving Ontario Works

- in a timely manner, follow up on all fraud tips and investigate those that appear to be legitimate; and
- where the investigation indicates that a potential fraud has occurred, provide sufficient evidence to justice authorities to enable them to pursue prosecution of the perpetrators.

MINISTRY RESPONSE

The Ministry recognizes the need to ensure that only those who are eligible for social assistance receive it. Where sufficient evidence exists, social assistance staff are directed to refer all cases of suspected welfare fraud to the police. The Ministry will improve fraud investigation practices through the development of additional tools that support effective program management and oversight.

Participation Agreements

All Ontario Works assistance recipients must sign a participation agreement. The agreements oblige these individuals to take part in at least one of a number of activities designed to help transition them to paid employment and help them become self-reliant. Typical examples of employment activities include:

- basic education, literacy, and job-specific skill training;
- independent or assisted job-search activities, such as attendance at Employment Resource Centres; and
- volunteer or paid job placements designed to provide job experience and to help the recipient find and maintain meaningful employment.

A service manager caseworker is to assess the individual's skills and experience and determine with the recipient the most appropriate employment activities. Every three months, participation

agreements are to be reviewed, updated, and signed again by the participant.

However, we found little evidence in recipient files to indicate that caseworkers were actually assessing what training or other employment-directed activities would be most beneficial and there is no standard requirement to document this process. In fact, our understanding was that these activities were usually selected by the applicant. Our province-wide analysis indicated that two-thirds of all recipients had designated independent job-search activities as the most beneficial employment assistance activity to help them become gainfully employed.

The requirement for an individual to enter into a participation agreement can be temporarily deferred in specific circumstances, such as a sole-support parent caring for one or more preschool children, provided the reasons for doing so are documented on file.

Our review of a sample of files found that:

- In some cases there were no participation agreements on file for extended periods of time. In many cases where participation agreements were on file, they were not updated every three months as required, and in some cases had not been updated for extended periods of time—up to five years.
- Where an individual's obligation to enter into a participation agreement was temporarily deferred, the reasons for doing so were often not documented in the file.
- Every three months, caseworkers are required to monitor progress of the activities agreed to in the participation agreement with the recipient. However, evidence was not required, nor was it provided, to demonstrate that the activity to which the recipient had committed had ever been done.

As well, we noted instances where individuals were in activities that seemed inappropriate. For example, individuals were in independent job search activities for several years, only to be sent later to English-as-a-second-language classes,

which in our view appears to be an ineffective sequence of activities.

We also found many instances where it did not appear that recipients were getting an adequate assessment of what skills and experience they would need to secure employment. In one such case, the only training or assistance a recipient received was two short-term courses during a seven-year period. For the rest of the time, this individual was in an independent job search without any success. In addition, there was no evidence that this recipient had ever received a skills assessment. In another case, a 10-year recipient spent seven-and-a-half years without a participation agreement in place or any evidence that employment activities had taken place. For the rest of the time, the individual was in an independent job search or basic education program.

In addition, although the Ministry does not define “temporary financial assistance,” which is the goal of the Ontario Works program, many individuals were in the program for long periods of time without progressing to financial independence. In this regard, we noted that approximately 10% of all active recipients at the three service managers we visited had been on continuous assistance for between five and 10 years, and an additional 3% had been on for more than 10 years, with the oldest cases having received financial assistance since 1984, or for 25 years.

RECOMMENDATION 7

To ensure that the Ontario Works program is effective in transitioning recipients to paid employment and self-reliance, the Ministry of Community and Social Services should monitor Consolidated Municipal Service Managers to make certain:

- that participation agreements are on file for all Ontario Works recipients and that each agreement is reviewed and updated every three months as required;

- that the reasons for deferring participation agreement requirements are adequately supported and documented on file;
- that caseworkers assess recipients' skills and experience, and document caseworker input in determining the most appropriate activities to help recipients transition to financial independence; and
- that the Ministry review the reasonableness of service managers' allowing—often for prolonged periods of time—dependent job-search activities as the primary employment assistance activity to nearly two-thirds of all recipients.

MINISTRY RESPONSE

The Ministry agrees that all Ontario Works recipients should have a participation agreement on file, which will be reviewed and updated at least every three months, and that any deferrals of participation agreements are supported and documented on file.

Recognizing the diverse challenges that many Ontario Works recipients face, the Ministry is committed to providing tools and training support to help front-line staff work collaboratively with clients to address their employment-related needs and barriers. The Ministry will review the policy guidelines related to the job-search requirement to ensure that participation agreements are developed or updated appropriately.

Tasks

The Ministry's SDMT system is able to assign tasks and corresponding due dates to individual case files as well as track outstanding tasks. Tasks are system-generated for such things as notification that a recipient's supplemental assistance or benefit is about to expire, or the need to review and update participation agreements. Many of the remaining

tasks are entered manually and are triggered by, for example, a complaint about a person's eligibility or information obtained from third parties through information-sharing agreements.

It is essential that caseworkers be aware of all tasks as they become due so that any necessary changes can be made promptly and overpayments or underpayments can be avoided. However, at the time of our audit, there were 195,000 overdue Ontario Works tasks in the SDMT system. Many of these tasks had been overdue for a long time, some for more than 10 years.

We understand that the high number of overdue tasks is due largely to service manager staff not using the system as intended to identify information needs, by staff not obtaining the required information on a timely basis, or by failing to delete tasks when they are completed. This large number of overdue tasks is of particular concern because they are the key means of consistently tracking outstanding information needed to establish the continuing eligibility of recipients and determining the correct amount of assistance to be paid.

RECOMMENDATION 8

To ensure that Ontario Works benefits continue to be paid only to eligible individuals and in the correct amount, the Ministry of Community and Social Services should monitor whether Consolidated Municipal Service Managers are making reasonable efforts to address all system-identified tasks that require action or follow-up.

MINISTRY RESPONSE

The Ministry recognizes the need to ensure that only eligible individuals receive assistance through Ontario Works and that the assistance provided is in the correct amount. To this end, the Ministry has simplified the technology related to system-generated tasks.

The Ministry is also reviewing its current business processes for potential refinements

and opportunities for improvement from the perspective of technology modernization.

Ministry Monitoring of Consolidated Municipal Service Managers

The Ministry's nine regional offices are to regularly conduct two types of reviews—compliance reviews and subsidy claims examinations—of the service managers within their jurisdiction. Compliance reviews consist primarily of examining a sample of case files to assess whether they adhere to selected program requirements. These reviews are currently to be conducted on a three-year cycle.

Subsidy claims examinations inspect a single month's reimbursement claim by the service manager for the Ministry's 80% share of financial assistance provided to recipients. These examinations, to be conducted annually, are to ensure that the amounts reimbursed to service managers accurately reflect payments to recipients.

When it came to compliance reviews, we found that they were being conducted at the required frequency. That is, annually in 2003, once every two years between 2004 and 2006, and once every three years starting in 2007. Our review of a sample of compliance reviews since our last audit found that the work undertaken was generally of a good quality and identified many of the same issues and concerns we have drawn attention to earlier in this report. However, there was little evidence that corrective action to address the deficiencies identified in the compliance reviews was undertaken, as similar issues kept recurring from year to year.

In response, the Ministry implemented a new, three-year cycle for compliance reviews starting in 2007. The second year is to allow the service manager time to take the necessary corrective actions identified during the year-one review. In the third year, the Ministry is to re-examine a sample of case files and assess whether or not corrective actions have been taken. Financial adjustments may be levied for issues of non-compliance.

With respect to subsidy claims examinations, we noted the following:

- The Ministry's regional offices were not completing subsidy claims examinations annually or on a timely basis as required. In one of the three visited regions, for example, reviews for 2003 were conducted in 2006 and reviews for 2004 and 2005 were conducted in 2008. In the other two regions, reviews for 2003, 2004, and 2005 were not completed at all. No reviews had been done at any of the regions for 2007 and 2008. On a province-wide basis, as of December 2008, the 2007 subsidy claims examinations had been completed for only four of the 47 service managers.
- Our review also found that, generally, the reviews were inadequately conducted. Files were disorganized, difficult to follow and incomplete. In addition, it is our view that many of the individuals conducting the subsidy claims examinations did not have adequate training and experience to do so effectively. As a result, we felt that the subsidy claims reviews did not adequately determine whether the claims submitted to, and paid by, the Ministry were complete, accurate, and based on actual benefits provided to recipients.

These reviews are critical given the fact that the Ministry's subsidies totalled \$1.5 billion in the 2008/09 fiscal year. Yet none of the required supporting documentation that is required to accompany the monthly claims was being submitted to the Ministry. As well, the Ministry did not verify any of the information on the claims prior to making payment. The risk is that if a service manager inadvertently overstated a claim, the error likely would not be detected.

RECOMMENDATION 9

To ensure that subsidy claims are reimbursed in the correct amount based on reliable information provided by the Consolidated Municipal

Service Managers, the Ministry of Community and Social Services should:

- conduct at least one subsidy claims examination per service manager annually as required and do so on a timely basis;
- make certain that work conducted during subsidy claims examinations is adequately completed and demonstrates whether the claim is based on complete and accurate information about payments to assistance recipients; and
- make certain that adequate supporting documentation is submitted by the service managers and reviewed by the Ministry prior to payment.

MINISTRY RESPONSE

The Ministry recognizes the importance of exercising appropriate program management oversight and has reinforced the requirements to complete annual subsidy claims examinations. In addition, the Ministry will develop additional tools and provide training to support ministry staff in completing accurate examinations based on appropriate documentation.

Program Administration Costs

At the time of our last audit in 2002, we found that the Ministry reimbursed the 47 service managers for their 50% share of administrative costs based on a historical pattern that ignores, among other things, caseload volumes. We determined that the Ministry's administration cost reimbursement on a per-case basis in the 2001/02 fiscal year varied significantly, ranging from \$273 to \$1,596. We therefore recommended in our *2002 Annual Report* that the Ministry consider caseload information in its annual funding decisions to ensure that administration costs are allocated equitably across the province. The Ministry agreed and indicated at the

time that future funding for its share of administration costs would be linked to caseloads.

Notwithstanding that commitment, we found that the Ministry continues to reimburse service managers on the same historical basis established prior to our last audit in 2002. The Ministry's funding of service manager administration costs on a per-case basis continued to vary significantly between \$718 and \$1,250 in the 2008/09 fiscal year.

We also noted the following:

- The Ministry does not receive sufficiently detailed information about the administration costs incurred by individual service managers and therefore cannot assess their reasonableness. In addition, due to the absence of a provincial requirement of caseloads per caseworker, it is impossible to assess the appropriateness of caseworker staffing levels. This is particularly important since staffing accounts for approximately 80% of all administration costs.
- Some service managers are absorbing all the incremental costs, such as salary increases, for administration of the program, which results in cost sharing that differs from the intended 50/50 basis. For example, one of the service managers that we visited estimated that it currently pays 70% of the total administration costs. As a result, service managers unable to absorb the incremental costs of program administration could, for example, decrease caseworker staffing levels, which would adversely affect program delivery.

RECOMMENDATION 10

To ensure that Ontario Works administration is funded equitably across the province, the Ministry of Community and Social Services should:

- establish more needs-based funding of administrative costs that reflects variations in caseloads; and
- obtain better information about actual administrative costs being incurred.

MINISTRY RESPONSE

The Ministry recognizes the concerns with program administration funding and is currently undertaking a review to develop principles for revising the funding model.

Employment Assistance Costs

As noted previously, the Ministry's 80% share of employment assistance costs totalled \$171 million in the 2008/09 fiscal year. Much of this assistance is provided directly by service manager staff, although some services are obtained through contractual arrangements with third parties such as providers of training programs and employment placement services. Employment assistance funding provided to individual service managers is still generally based on historically funded amounts rather than an assessment of recipient caseloads and the need for the different types of employment assistance services. However, the Ministry advised us that it started to implement an outcome-based funding model in January 2008 that will begin to affect funding allocations in 2010.

Our comments and concerns with respect to employment assistance funding provided to individual service managers over the past few years include the following:

- There is no evidence that the Ministry assessed the type and mix of employment activities provided by a service manager to ensure that they are effective in helping transition assistance recipients from Ontario Works to paid employment and ultimately represent value for money spent. In that regard, we note that two-thirds of all assistance recipients are receiving no specific employment assistance and are assigned to independent job search activities, often for many years.
- The Ministry did not receive sufficiently detailed information on how the employment

assistance funds were to be spent and were actually spent. In fact, we found that in some cases service managers used employment assistance funds for other Ontario Works purposes or for unrelated municipal programs.

- There was often no evidence that municipal service managers acquired employment assistance services from third-party providers competitively.

RECOMMENDATION 11

To ensure that employment services are effectively helping recipients find employment and represent value for money spent, the Ministry of Community and Social Services should:

- assess the effectiveness of the various types of employment assistance being offered by each Consolidated Municipal Service Manager, particularly the independent job search when recipients are assigned to it for long periods of time; and
- make certain that all employment assistance funding is spent prudently and for the intended purpose.

MINISTRY RESPONSE

The Ministry introduced an outcomes-based funding model for Ontario Works employment assistance that requires service managers to establish performance targets and measure client outcomes.

The Ministry recognizes the importance of exercising appropriate program management oversight and will ensure that ministry staff receive training to support effective oversight of employment assistance funding. In addition, the Ministry is currently looking at the employment assistance funding model as part of its review of administration funding.

Measuring the Performance of the Ontario Works Program and Consolidated Municipal Service Managers

Historically, the Ministry has lacked any measures to monitor and evaluate the efficiency and effectiveness of the administration of income assistance under Ontario Works. For example, targets have not been established with respect to the reduction and/or elimination of income assistance overpayments to recipients, even though income assistance is by far the largest (81%) cost component of the \$1.9-billion program.

In addition, there is no question that it is challenging to evaluate effectiveness in achieving the primary objective of the program—to move Ontario Works recipients to paid employment and self-reliance—because many factors not related to the program can influence the number of people leaving it. These include, but are not limited to:

- conditions in the general economy that greatly influence the creation or loss of the types of jobs Ontario Works recipients are most likely to qualify for;
- local conditions and seasonal factors that influence the availability of jobs in a given area; and
- the commitment and personal initiative of Ontario Works recipients to find paid employment.

With respect to the employment assistance component of Ontario Works, the Ministry in 2008 started to implement a new outcomes-based model that will measure performance over a two-year period. This model includes seven outcome measures in two categories: earnings outcome and employment outcome. Under earnings outcome, there are two measures: average employment earnings for Ontario Works recipients and average employment earnings at exit from the program.

Under employment outcome, there are five measures:

- average length of time in the program until exit to employment;

- percentage of caseload terminations as a result of exiting to employment;
- percentage of caseloads with some employment income;
- job retention rate—average length of time those people who had been in Ontario Works held a job before returning to the program; and
- re-entry rate—percentage of people returning to Ontario Works who had left the program for employment within the past 24 months.

Each year, the Ministry negotiates improvement targets with each municipal service manager for the above outcome measures based on historical patterns and local economic conditions. Evaluation is to take place over a two-year period. Overachievement in year one of the two-year evaluation cycle (that is, initially, 2008) can be used to offset underachievement in the second year or vice versa. Underachievement over the initial two-year evaluation period, which ends in December 2009, may result in the Ministry clawing back up to 20% of a service manager's employment assistance funding that it received during that two-year period.

This is a promising initiative if the Ministry can obtain complete and accurate information regarding the seven outcome measures.

RECOMMENDATION 12

The Ministry of Community and Social Services should build on its planned results assessment for employment assistance funding by developing performance measures that will enable it to evaluate the effectiveness of the administration of the much larger income assistance aspect of Ontario Works over time.

MINISTRY RESPONSE

The Ministry recognizes the importance of exercising appropriate program management oversight with respect to income assistance.

The Ministry will continue with its efforts to maximize overpayment recovery and mitigate

overpayments, including the implementation of a risk-based approach to Ontario Works financial eligibility reassessments. This risk model will help to ensure that only eligible recipients remain on the program and that they receive the correct payments.

The Ministry will also implement a series of changes to reinforce its monitoring and control framework for social assistance. This framework will include performance monitoring and risk management strategies that will strengthen program oversight and support the improvements being made to service delivery.

SERVICE DELIVERY MODEL TECHNOLOGY SYSTEM

The Ministry's Service Delivery Model Technology (SDMT) information system is the IT network that supports social assistance delivery for both Ontario Works and the Ontario Disability Support Program. Implemented province-wide in 2002, the SDMT system was developed to provide a common database with real-time access to case information and to reduce administrative costs while freeing up caseworker time to allow for better customer service to social assistance applicants and recipients.

The SDMT system was developed at an initial cost of approximately \$246 million, which far exceeded the original cost estimate of \$180 million. The Ministry now estimates the total cost to date for system development and maintenance paid to outside contractors at approximately \$377 million. The Ministry took control of this system in January 2002. Since then, the SDMT system has been maintained by in-house ministry staff, supported by outside consultants. The cost for these outside consultants was approximately \$5.5 million between the 2005/06 and 2008/09 fiscal years.

Our review of the SDMT system included a survey of users and administrators to determine satisfaction and areas of concern. We also engaged an IT security specialist to conduct a security review.

Although the Ministry has made many changes to the SDMT system over the years to improve the consistency and accuracy of the system's operations, much remains to be done. We understand that the government has designated the SDMT system as a priority as part of its project to remediate high-risk applications. The Ministry is reviewing its current business processes for potential refinements or opportunities to improve the system's technology. It is to prepare a business case for autumn 2009.

Our specific comments and observations about the SDMT system are detailed in the following section.

Unexplained System Errors and Omissions

We again found—as we did in our 2002, 2004, and 2006 annual reports—that unexplained errors and omissions continue to occur, even after many system enhancements. For instance:

- Some changes made to a recipient's information in the SDMT system were not immediately processed and were dormant for months and even years. Then, at a much later date, they were triggered for unexplained reasons. Such a situation may result in significant arrears or overpayments. For example, in one case a recipient incurred decreased shelter costs in 2002 that were entered into the SDMT system, but not used in determining the correct amount of financial assistance. The recipient continued to receive the previous, larger shelter allowance for seven years until the system detected the overpayment. The service manager could not explain why this error occurred.
- Information regarding the same payments made to recipients during a particular month showed different amounts that were contained in two monthly SDMT system reports—the expenditure report and the cheque register, which is a list of cheques generated by the system during that month. Neither the

service managers nor the Ministry were able to explain the discrepancies.

- The SDMT system lacks controls to detect input errors and omissions. For example, the system does not have the capacity to block payments to recipients in cases where a unique personal identifier—social insurance or health card number—has not been inputted. We found many cases where these unique identifiers were missing, sometimes for more than a year, while recipients continued to receive assistance. This system failure increases the risk of fraud through multiple payments to the same recipient or payments to false recipients.

Access and Security Controls

We are pleased to report that attempts to gain unauthorized access to the SDMT system met with failure during a security test, which suggests that there is a reasonable level of security control to protect the system from possible outside attacks. However, we are concerned about internal access and overall system controls to prevent the SDMT system from being compromised. In this regard, we found the following:

- According to our security specialist, the possibility exists for an internal user with IT knowledge to escalate their read-only access to full access to SDMT data without proper authorization. This would allow an individual to create a bogus recipient and issue fraudulent payments. The Ministry had been aware of these issues and thought that it had corrected them, but our specialist was able to circumvent the new controls.
- With regard to access rights, we found that although only two staff members per service manager office were supposed to be provided administration rights, which includes the ability to make changes and generate new users, some offices had up to 17 individuals, or one-third of their total staff, assigned these rights.

Administrators were also provided access to live data that should be the purview only of caseworkers. As a result, administrators potentially can establish false accounts and new users, generating unauthorized payments.

- Although the SDMT system has the capacity to assign limited access levels, we found that most caseworkers, as we noted in our 2002 audit, received full access to the system, allowing them also to set up new recipients, make changes to information, and potentially authorize fraudulent payments, all without supervisory review. Such broad access runs counter to the desired segregation of duties and supervisory oversight that is a critical component of a formal payment system designed to prevent fraudulent payments.
- Although the Ministry had a process in place to verify active users by sending a SDMT system report containing all active users to service managers for their review and reconciliation, this feature had not been used since 2005. In fact, our review found that some former Ontario Works staff still had active SDMT system accounts.
- Passwords are not required to be changed on a regular basis and multiple concurrent log-ins are permitted.

User Satisfaction

During our previous audits, service manager staff expressed considerable dissatisfaction with the SDMT system and told us that instead of it freeing up time to spend with clients as intended, it had the opposite effect. Other concerns noted were that training was insufficient, and that system limitations required many workaround systems to be developed or purchased in order to get the job done.

As mentioned above, despite some SDMT system improvements since our last audit, service manager staff still generally express dissatisfaction with the system. They had the following specific concerns:

- Workaround systems are still required. Results from the survey of system administrators indicated that approximately 150 workaround systems had been developed at a cost of more than \$5 million, with future system development costs estimated at \$7 million. Many of these workarounds were similar systems developed by different service managers, resulting in a duplication of efforts.
- The SDMT system lacks a report-writing function that would allow service managers to extract customized information required to assist with program delivery and/or management. Instead, the Ministry provides daily and monthly information for use in local report systems as well as producing standard reports that are available to the service managers. However, these reports do not address many of their information needs. Although special reports can be requested from the Ministry, service manager staff told us that it sometimes takes several months to receive these reports. In addition, service manager staff were reluctant to rely on the reports because of concerns over reliability, completeness, and accuracy.
- Although a process had been set up to flag system problems by filing a system investigation report, most service manager staff felt that this process was ineffective and did not result in improvements. The Ministry has since eliminated this process and no longer tracks SDMT system user complaints.
- The Ministry now uses the government-wide IT service desk to deal with SDMT system problems. Staff told us that they have concerns about the quality of assistance they receive from this help desk as those staffing it don't seem to have specific knowledge about the SDMT system and are not responsive in addressing problems.
- Although tools are provided to assist with reviewing overpayments, the system's users noted the system was unable to determine

why an overpayment was created, an issue previously noted in our 2002 audit. They indicated that it sometimes took a long time to try to resolve and reconcile overpayments. In addition, the SDMT system lacks the capability to manage overpayments and their collections.

- The system lacks the capacity to manage the employment assistance function, a key objective of Ontario Works. As a result, most service managers maintain standalone systems to support the management of employment assistance activities.
- Concerns were noted again, as at the time of our last audit, with regard to system-generated letters. Service manager staff said that these letters cannot be altered, that the information contained in them is difficult for the client to understand, and is sometimes inaccurate. As a result, many service managers have purchased or developed other software programs to create their own letters and do not use this aspect of the SDMT system.

Information to Support Reimbursement by the Ministry

In our previous report in 2002, we noted that the SDMT system did not provide municipal service managers with accurate and reliable expenditure information for billing the Ministry for its share of the financial assistance provided to Ontario Works recipients. We are pleased to note that now, in general, service managers are able to rely on the information from the SDMT system with regard to

the income assistance amounts provided to Ontario Works recipients.

However, benefits that are paid on behalf of the recipients to third parties are not included in the SDMT system and have to be manually added onto the monthly claim to the Ministry for reimbursement.

As previously noted, small variances still exist between the totals recorded by the monthly expenditure report and the cheque register, both produced by the SDMT system.

RECOMMENDATION 13

To ensure that Consolidated Municipal Service Managers can rely on systems and reports to produce proper payments and accurately record and manage information regarding those payments, the Ministry of Community and Social Services should address the Service Delivery Model Technology system deficiencies noted in this report, including those that prevent service manager staff from having the information they need to effectively manage program expenditures.

MINISTRY RESPONSE

The Ministry recognizes the need to continually improve the technology that supports the delivery of the Ontario Works program within available resources. The Ministry is also reviewing its current business processes for potential refinements and opportunities for improvement from the perspective of technology modernization.

COMMITTEE REPORT



TO **Social Services & Housing Committee**

SERVICE AREA Corporate Administration
DATE March 15, 2010

SUBJECT **Guelph Non Profit Housing Corporation
Paisley Road Project**

RECOMMENDATION

That the report dated March 15, 2010 with respect to Guelph Non Profit Housing Corporation Paisley Road Project, be received for information.

BACKGROUND

On October 2, 2009, a meeting was held at the request of Warden Ross-Zuj, between the Warden, Heather Burke, Manager of Wellington Guelph Housing Services, Mayor Karen Farbridge, Hans Loewig, and MPP Liz Sandals to discuss financial issues of the Paisley Road development. At that meeting, Heather Burke advised that the mortgage schedule that became part of the signed Facility Agreement was different than the schedule that had been provided during the evaluation, which rendered the business plan for the project unsustainable. The County agreed to forward to the City, the details of the original affordable housing application, business case for the project, and the financial statements/budgets for the Paisley Place operations from 2005.

In November 2009, City Council received correspondence from Guelph Non Profit Housing Corporation (GNPHC) seeking financial assistance.

At the City Council budget meeting on December 8, 2009, a presentation was made by Sandy Ferguson of the Guelph Non Profit Housing Corporation requesting funding assistance from the City. Following the presentation City Council asked staff to provide additional background information.

A request was sent to the County by e-mail on December 9, 2009 requesting the information discussed at the October 2nd meeting. This information was provided by the County to the City on December 11, 2009.

Based on the information received from the County, the attached e-mail from Hans Loewig together with a background document was sent to Heather Burke on February 26, 2010 advising that it is the City's understanding that the City of Guelph has met all its obligations with respect to the Paisley Road project.

Ms. Burke responded on March 3, 2010 indicating that she would be providing her comments in the near future.

ATTACHMENTS

Email from Hans Loewig to Heather Burke dated February 26, 2010
Guelph Non Profit Housing Paisley Road Project background document

Original Signed by:

Prepared By:

Hans Loewig
Chief Administrative Officer
519-837-5602
hans.loewig@guelph.ca

Hans Loewig

From: Hans Loewig
Sent: February 26, 2010 2:38 PM
To: 'Heather Burke'
Cc: Mayors Office; Lois Payne; Margaret Neubauer
Subject: RE: Paisley Place background information
Attachments: Guelph Non Profit Housing Paisley Road Project (revised).doc

Thank you for sending the packages of information. We have now had the opportunity to review and analyze this information.

We have prepared a background document which I have attached that summarizes this information and will be presented at the City's Social Services and Housing Committee on March 15, 2010.

You will note that we have also referred to the meeting of October 2, 2009 where we were advised that there was a change in the mortgage schedule that resulted in a significant increase in the operating costs and therefore impacted the sustainability of the project.

We also note that the agreements with G.N.P.H. on the Paisley Road Project are between the Province in respect to the Contribution Agreement and the CMSM in a Facility Agreement that approves the project pursuant to the Municipal Act and the Municipal Housing Facility Bylaw. All the conditions, accountability and operating requirements of the agreement are the responsibility of the Proponent and the CMSM.

According to our analysis the City of Guelph has met all its obligations with respect to this project.

Please advise in the event the information contained in the background document or our assumptions are incorrect.

Hans Loewig | Chief Administrative Officer
City of Guelph
T 519-837-5602 | F 519-822-8277
E hans.loewig@guelph.ca
guelph.ca

From: Heather Burke [<mailto:HEATHERB@county.wellington.on.ca>]
Sent: December 14, 2009 6:36 PM
To: Hans Loewig
Subject: RE: Paisley Place background information

Hello

Please see the [attachments per your request](#). A summary of the attachments is also included in this email.

Thank you.

Heather Burke

From: Hans.Loewig@guelph.ca [<mailto:Hans.Loewig@guelph.ca>]
Sent: Monday, December 14, 2009 11:33 AM
To: Heather Burke
Subject: RE: Paisley Place background information

I have scanned the information provided and could not find a copy of the Affordable Housing Agreement, the mortgage agreement/terms, annual reports as required by the agreement, and any other correspondence with the proponents

Hans Loewig | Chief Administrative Officer
T 519-837-5602
E hans.loewig@guelph.ca

From: Heather Burke [mailto:HEATHERB@county.wellington.on.ca]
Sent: December 11, 2009 1:19 PM
To: Hans Loewig
Cc: Scott Wilson; sandy_speedpro@bellnet.ca; Karen Farbridge; Sandals_Liz-MPP-CO; Eddie Alton; Harry Blinkhorn
Subject: Paisley Place background information

Hello

Please see letter attached with list of attachments only.

Please note that the original letter plus the full package of attachments was delivered to City Hall to your attention early this morning December 11, 2009.

Thank you

Heather Burke

From: Hans.Loewig@guelph.ca [mailto:Hans.Loewig@guelph.ca]
Sent: December 9, 2009 9:01 AM
To: scottw@county.wellington.on.ca; sandy_speedpro@bellnet.ca
Cc: Karen.Farbridge@guelph.ca
Subject: Paisley Place background information

At last night's City Council budget meeting a presentation was made by Sandy Ferguson of the Guelph Non-Profit Housing Corporation requesting funding assistance from the City . Following the presentation Council asked staff to provide additional background information. At our meeting of Oct. 2, 2009 on this matter, which included Liz Sandals MPP., the County agreed to forward to us, the details of the original affordable housing application, business case for the project, and the financial statements/budgets for the Paisley Place operations from 2005. I have not yet received this information and your attention to forwarding this by Friday would be appreciated.

Hans Loewig | Chief Administrative Officer
City of Guelph

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Guelph Non Profit Housing Paisley Road Project

Background information

Guelph Non Profit Housing Corporation (GNPHC)

- The incorporation of GNPHC, under the Corporations Act, was initiated by the City of Guelph in 1988 to take advantage of federal and provincial funding for social housing.
- GNPHC was constituted as a corporation without share capital under Letters Patent issued by the Ministry of Consumer and Commercial Relations on October 4, 1988.
- GNPHC is an independent municipal non-profit housing corporation, run by a Board of Directors.
- The Letters Patent indicate that no person shall be elected or appointed as a Director unless such election or appointment has prior approval of the City of Guelph.
- The County of Wellington, through Wellington and Guelph Housing Services, provides management services for GNPHC; the Manager of GNPHC is a County employee
- GNPHC is a social and affordable housing landlord for 545 subsidized rental housing units available to households on a rent geared to income basis.
- GNPHC properties are located in Guelph.

County Responsibility for Social and Affordable Housing

- Social Housing Reform Act 2000 transferred responsibility for all social housing to Consolidated Municipal Service Managers.
- The County of Wellington is designated as the CMSM for Guelph-Wellington.

Affordable Housing Program

- In May 2002, the Canadian Mortgage and Housing Corporation and the Province of Ontario (Ministry of Municipal Affairs and Housing - MMAH) signed a bilateral agreement to supply affordable housing (the **Canada-Ontario Affordable Housing Agreement**).
- In December 2002, the Province (MMAH) announced their Affordable Housing Program to implement the Canada-Ontario Affordable Housing Agreement (the **Community Rental Housing Program**).
- In December 2002, Wellington and Guelph were allotted a 100 affordable rental unit allocation through the Canada-Ontario Affordable Housing Program – Community Rental Housing Program.
- In December 2002, City Council approved participation in the program along with potential municipal financial incentives.

- In February 2003, a report to the County's Seniors and Social Services Committee recommended that the CMSM participate in the program, negotiate an agreement with the Province of Ontario to deliver the program in the Wellington CMSM and issue a request for proposals.
 - The CMSM role in the program was to coordinate matching funding, to conduct the tendering process for approval of affordable housing in the CMSM and to provide ongoing administration of the program.
 - The Province requires the CMSM to review the financial statements to determine the financial viability of proponents in the tendering process.
- In February 2003, a report to the County's Seniors and Social Services Committee recommended adoption of the **Municipal Housing Facility By-law** for the CMSM
 - The Municipal Housing Facility By-law included a clause ensuring approval by City Council of any municipal financial incentive being sought for housing proposals in Guelph.
- The City was invited to participate in the tender and evaluation process for proposals along with representatives from MMAH.
- Phase 1 of the tendering process was completed in the spring 2003.
- Two projects (total of 77 units) were eligible to move to Phase 2 of the tendering process.
- In August 2003, a report to the County's Seniors and Social Services Committee recommended the tender be awarded to two projects (both in Guelph) and that the City be asked to approve the projects and municipal financial incentives.
- In September 2003, Council did not approve the projects as the municipal incentives requested by the CMSM exceeded the amount pre-approved by City Council; the report requested that the CMSM retender the program providing explicit upper limits on the City's municipal incentives (\$19,000/unit).
- In September 2003, a report to the County's Seniors and Social Service Committee recommended the tender be awarded to four projects (total of 94 units)
 - 3 projects were in the City (GNPHC, Matrix Affordable Homes for the Disadvantaged, J. Lammer Developments Ltd.)
 - 1 project was in the County (Matrix Affordable Homes for the Disadvantaged)
- At the same September 2003 report, it was recommended
 - approval be sought from the City for the three Guelph projects and the municipal financial incentives requested
 - the CMSM enter into **Facility Agreements** with each proponent
 - the list of successful proponents be forwarded to the Province
- In October 2003, City Council approved the three projects and the municipal financial incentive (\$18,882/unit)

Paisley Road Project

- GNPHC responded to the original proposal call by the County of Wellington (CMSM aka the Service Manager) under the Canada-Ontario Affordable Housing Program (Community Rental Housing) in 2003.
- GNPHC re-submitted their proposal in September 2003 to undertake development activity for affordable housing in return for financial benefits from MMAH and the CMSM (Service Manager).
- The CMSM approved the GNPHC tender subject to conditions in September 2003.
- In December 2004, the City entered into a **Development Charges Late Payment Agreement** with GNPHC.
- In April 2005, the City exempted the Paisley Road project from municipal taxes for 10 years and waived the building permit and site plan application fees, and provided for a full exemption from development charges once the Loan provided for in the Facility Agreement has been fully forgiven.
- In March 2005, a **Provincial Contribution Agreement** for the Affordable Housing Program Community Rental Housing Funding Program to create new affordable rental units was signed by the Province of Ontario (Minister David Caplan) and GNPHC (Chair David Braun and Vice Chair Dan Schnurr)
- In May 2005, a **Facility Agreement** between the CMSM and GNPHC was signed by the County Warden and County Clerk and the Chair and Vice Chair of GNPHC.
 - The agreement notes the CMSM has approved of the tender subject to conditions including the condition that the CMSM provides funding under the Community Rental Housing Program to the proponent for the implementation of the tender and that the CMSM has entered into this agreement pursuant to the Municipal Act and the Municipal Housing Facility By-law.
- The City met all its obligations with respect to the provision of municipal financial incentives.
- In October 2009, City representatives and MPP Liz Sandals attended a meeting at the request of the Warden to be briefed on the financial issues of the Paisley Road development.
 - Heather Burke, Manager of Wellington Guelph Housing Services, advised that the mortgage schedule that became part of the signed facility agreement was different than the schedule that had been provided during the evaluation, which rendered the business plan for the project unsustainable.
- In November 2009, City Council received correspondence from GNPHC seeking financial assistance.



Guelph Non-Profit Housing Corporation

Chair: Timothy McGurrin (volunteer)
Vice Chair: Sandra Ferguson-Escott (volunteer)
Secretary-Treasurer: David Birtwistle (volunteer)
Staff Liaison: Harry Blinkhorn

1

History of GNPHC

- Municipal desire for social and affordable Housing for persons of low and modest income → driven by City Council
- Mayor John Counsell selected a steering committee
- Guelph Non-Profit Housing incorporated in 1988 – Mayor and 2 City Councilors on Board

2

Now Operating 545 units for Guelph

Built	Location	Type	Units
1992	York Rd	Apt 24 B, Twn 6-2, 8-3	38
1992	Flaherty Dr	Twn 14-2, 30-3, 6-4	50
1992	Auden Rd	Twn 17-2, 31-3	48
1992	Imperial Rd	Apt 10-1, 16-2, 6-3 x 3	96
1993	Westwood Rd	Apt 30-1, 15-2, 4-3	49
1993	Christopher Crt	Apt 16-1, 68-2, 18-3	102
1994	Auden Rd	Twn 35-2, 20-3, 6-4	61
1995	Neeve St	Apt 52-1, 11-2	68
2005	<i>Paisley Rd</i>	<i>Apt 21-1, 13-2</i>	<i>33</i>

3

Paisley Place 747 Paisley Road

- First new project since 1995
- New affordable housing model (not social housing like rest of portfolio)
- Encouraged by all stakeholders including City, but now faces budget challenges

4



Original Paisley Funding (per unit)

- \$25,000 Federal contribution (matching)
- \$4,000 Provincial contribution
- \$19,000 Municipal contribution in fee & tax concessions (no cash)
- \$4,000 GNPHC cash contribution
- Fully utilized all available the matching funding

5



Paisley Place Funding Shortfall

- Affordable housing initiative does not provide an ongoing rent subsidy as all of the other properties
- Provincial funding was entirely to capital
- Now clear that original capital grants were insufficient to permit year to year balance of operations budget

6



Current situation; Paisley

- Operating costs are increasing as the building ages but revenue is not increasing enough to offset
- The deficit will continue to grow
- No money in the program for future capital repair requirements
- The affects of HST are unknown at a detail level so we are unsure if it will be detrimental or perhaps beneficial

11



Why this shortfall?

- First wave funding program shortfalls have been recognized but no provincial/federal help for first wave projects only changes on new projects
- Some of the program changes (not available to Paisley as a first wave project):
 - Rents are set at 80% of the affordable rent determined for the area.
 - Grants are issued as both capital construction and operating recognizing the need for operational funds to keep the buildings operational.
 - Mortgage rate assistance
 - Value of the forgivable grants are double what were received for Paisley

12



What next?

- GNPHC is legally committed to provide affordable rents for 25 years (unlike private for profit builders who accessed program funding)
- At the time of the mortgage opening at 5 years inquiries will be made into lowering the cost of borrowing
- However, there appears to be no way that the building can run on a balanced budget without additional funding

13



What next?

- We can not lower operating costs without adversely affecting services and possibly deteriorating to a "slum" project
- Rents can not be increased to increase revenue due to guidelines, market conditions and need for affordable housing
- We need a reliable and constant source of additional operating funding

14



What do we need?

- The City needs affordable housing within the City
- 25 year target to increase Affordable Housing by 36%
- GNPHC requires funds for the on going operation of the building

15



What do we need?

- The GNPHC exists to provide affordable safe housing to residents in the City of Guelph
- To continue with the successful operation of 747 Paisley we need assistance with the operating costs of the building

16



Request for Funding

- Pay off the operating arrears of \$149,846 for the 2006, 2006/7, 2007/8 and 2008/9 years

And

- An operating commitment of \$40,000.00 per year for the next three years at which time the situation can be reevaluated

17



- 
- Thank you

18

**The Corporation of the City of Guelph
Social Services & Housing Committee
March 15, 2010, 3:00 p.m.**

A meeting of the Social Services & Housing Committee was held on March 15, 2010 in the Council Committee Meeting Room at 3:00 p.m.

Present: Councillors Hofland, Findlay, Piper and Mayor Farbridge

Absent: Councillor Laidlaw

Staff Present: Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Ms. L. E. Payne, Director of Corporate Services/City Solicitor; Mrs. L.A. Giles, City Clerk; and Ms. D. Black, Assistant Council Committee Coordinator

Councillor Hofland chaired the meeting in the absence of Councillor Laidlaw.

There was no disclosure of pecuniary interest.

1. Moved by Councillor Findlay
Seconded by Councillor Piper

THAT the minutes of the Social Services & Housing Committee meeting held on February 16, 2010 be confirmed as recorded and without being read.

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

SSH-2010 A.4	Committee Mandate and Charter
SSH-2010 A.5	Child Care: Preliminary Findings and Position
SSH-2010 A.6	Development of a Comprehensive Framework
SSH-2010 A.7	Auditor General's Report in Respect of Social Services
SSH-2010 C.3	Guelph Non-Profit Housing Corporation Paisley Road Project
SSH-2010 C.4	CMSM Social Services Report

Guelph Non-Profit Housing Corporation Paisley Road Project

Mr. Harry Blinkhorn, on behalf of the Guelph Non-Profit Housing Committee (GNPHC), reviewed the history of the Paisley Road Project and clarified a number of points contained within the staff report and backgrounder, including:

- dates and timelines;
- number of affordable housing units;

- staff titles;
- initial request for funding; and
- how the money was reaching the project.

Ms. Sandra Ferguson-Escott, on behalf of the Guelph Non-Profit Housing Corporation Board, acknowledged that they were aware there was not enough operating income to sustain the project and that the City's contribution was for incentives towards capital expenses. She indicated that the original funding program has been changed twice to deal with funding issues, however for the Paisley Road project, they are requesting further financial assistance from the City. She agreed that the City has met the terms of the incentive agreement but suggested that the City has an obligation towards affordable housing and has been involved since the inception of the program both financially and administratively including appointing citizens and a councillor to the committee. The GNPHC is requesting assistance in the amount of \$149,846.00 to maintain the project standard and an annual on-going contribution of \$40,000 towards building operating costs.

In response to questions raised, Mr. Blinkhorn advised that the initial mortgage repayment schedule reflected interest payments only and did not include any amounts for principal repayment. The repayment schedule was subsequently amended to include both interest and principal payments which resulted in the ongoing operating deficits.

The Committee requested that recent correspondence received from Heather Burke, Director of Housing for the County of Wellington, be provided to the Committee once further analysis takes place.

The Committee identified several issues:

- from a governance perspective, whether the management of the property should be from the same body that provides approvals.
- the absence of principal amounts in the original repayment schedule.

2. Moved by Mayor Farbridge
Seconded by Councillor Piper

REPORT

THAT the report dated March 15, 2010 with respect to Guelph Non Profit Housing Corporation Paisley Road Project, be received for information;

AND WHEREAS Guelph Non-Profit Housing Corporation (GNPHC) is an independent municipal non-profit housing corporation providing much needed social and affordable housing units in Guelph;

AND WHEREAS the Social Housing Reform Act 2000 transferred responsibility and accountability for all social housing to Consolidated Municipal Service Managers (CMSM);

AND WHEREAS the CMSM for Guelph and Wellington is the County of Wellington;

AND WHEREAS the CMSM for Guelph and Wellington entered into a Facility Agreement with GNPHC for the development and operation of the Paisley Road Project;

AND WHEREAS the Province of Ontario entered into a Provincial Contribution Agreement with GNPHC for the development and operation of the GNPHC Paisley Road Project;

AND WHEREAS the City of Guelph provided financial incentives towards the capital costs of this project with the understanding that the business plan for the project was sustainable;

AND WHEREAS the City of Guelph does not want to see the loss of these affordable housing units in the City;

THEREFORE be it resolved that the Guelph City Council assist the CMSM in addressing the financial concerns of GNPHC by requesting the Mayor write to MPP Liz Sandals asking for her assistance in arranging a meeting with the Province of Ontario in respect of the GNPHC Paisley Road Project.

Carried

Committee Mandate and Charter

REPORT

3. Moved by Councillor Piper
Seconded by Mayor Farbridge
THAT the Social Services and Housing Committee Mandate and Charter as amended and attached hereto as Schedule 1, be approved.

Carried

Child Care: Preliminary Findings and Position

REPORT

4. Moved by Councillor Piper
Seconded by Councillor Findlay
THAT in respect of the more than doubling of child care costs as projected in the County of Wellington's Five (5) year Forecast; that the County of Wellington be advised that at this time, the City of Guelph will not accept any financial liability to replace and/or offset

Child Care services and programs whose subsidies are being removed by other levels of government;

AND THAT as the Consolidated Municipal Service Manager designated to provide the planning and management of Child Care Services for Guelph-Wellington, that the County be asked to provide the City of Guelph with a Five Year Strategic Child Services Plan; a Plan which provides strategic options that respond to the anticipated consequences of reductions in provincial and federal subsidies, in order to maintain legislated child care requirements, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements;

AND THAT the County be asked to review, ensure accuracy and provide any additional information and comments along with detailed statistical information, to supplement the City of Guelph's Child Care Backgrounder (Attachment #1) as included in this report, with the additional data requirements to be detailed by City of Guelph staff.

Carried

Development of a Comprehensive Framework

REPORT

- 5. Moved by Mayor Farbridge
Seconded by Councillor Piper

THAT to assist City staff in evolving a more comprehensive understanding of, and framework for social services, that resources be allocated to a maximum of \$60,000 to provide the City with timely, specialized advice and support, to be funded from the City's salary gapping reserve fund.

Carried

Auditor General's Report in Respect of Social Services

REPORT

- 6. Moved by Mayor Farbridge
Seconded by Councillor Piper

THAT the City's auditors be requested to provide the City's Audit Committee with recommendations regarding:

- a. the additional scope of audit work required to ensure that the City's portion of shared services costs is calculated accurately;
- b. what documentation and internal audit work the City should be requiring from the County to support payment of Social Services costs; and
- c. independent assurance of the County's documentation and calculations with respect to the impact of the arbitrator's decision on social housing, including an

analysis of clients using the homeless shelter, and their subsequent usage of housing, child care and Ontario Works;

AND THAT the City seeks assistance from the Province and the Auditor General's office in ensuring that the appropriate accountability mechanisms, documentation and effective audit procedures are put in place.

Carried

CMSM Social Services Reports

The Acting Chair advised that committee members should advise the Chair of the committee and the Director of Finance of any issues they would like discussed resulting from the CMSM Social Services Reports before the next meeting so that the items can be placed on the next agenda.

In response to a question regarding Erin ambulance response times, the Director of Emergency Services provided information regarding his response to the Town of Erin.

The meeting adjourned at 4:53 p.m.

Next Meeting: April 19, 2010

.....
Chairperson

COMMITTEE AGENDA



TO **Social Services & Housing Committee**

DATE April 19, 2010

LOCATION Council Committee Room (Room 112)

TIME 3:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST

CONFIRMATION OF MINUTES – March 15, 2010

PRESENTATIONS (Items with no accompanying report)

a)

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Social Services and Housing Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
SSH-2010-A.8 Guelph Non Profit Housing Corporation Paisley Road Project			
SSH-2010-B.1 June Meeting Date			
SSH-2010-C.5 CMSM Social Services Reports			
SSH-2010-C.6 Summary Of Outstanding Requests To The County Of Wellington From The Social			

Services & Housing Committee			
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Resolution to adopt the balance of the Governance Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

OTHER BUSINESS

NEXT MEETING – May 17, 2010

**The Corporation of the City of Guelph
Social Services & Housing Committee
March 15, 2010, 3:00 p.m.**

A meeting of the Social Services & Housing Committee was held on March 15, 2010 in the Council Committee Meeting Room at 3:00 p.m.

Present: Councillors Hofland, Findlay, Piper and Mayor Farbridge

Absent: Councillor Laidlaw

Staff Present: Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Ms. L. E. Payne, Director of Corporate Services/City Solicitor; Mrs. L.A. Giles, City Clerk; and Ms. D. Black, Assistant Council Committee Coordinator

Councillor Hofland chaired the meeting in the absence of Councillor Laidlaw.

There was no disclosure of pecuniary interest.

1. Moved by Councillor Findlay
Seconded by Councillor Piper

THAT the minutes of the Social Services & Housing Committee meeting held on February 16, 2010 be confirmed as recorded and without being read.

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

SSH-2010 A.4	Committee Mandate and Charter
SSH-2010 A.5	Child Care: Preliminary Findings and Position
SSH-2010 A.6	Development of a Comprehensive Framework
SSH-2010 A.7	Auditor General's Report in Respect of Social Services
SSH-2010 C.3	Guelph Non-Profit Housing Corporation Paisley Road Project
SSH-2010 C.4	CMSM Social Services Report

Guelph Non-Profit Housing Corporation Paisley Road Project

Mr. Harry Blinkhorn, on behalf of the Guelph Non-Profit Housing Committee (GNPHC), reviewed the history of the Paisley Road Project and clarified a number of points contained within the staff report and backgrounder, including:

- dates and timelines;
- number of affordable housing units;

- staff titles;
- initial request for funding; and
- how the money was reaching the project.

Ms. Sandra Ferguson-Escott, on behalf of the Guelph Non-Profit Housing Corporation Board, acknowledged that they were aware there was not enough operating income to sustain the project and that the City's contribution was for incentives towards capital expenses. She indicated that the original funding program has been changed twice to deal with funding issues, however for the Paisley Road project, they are requesting further financial assistance from the City. She agreed that the City has met the terms of the incentive agreement but suggested that the City has an obligation towards affordable housing and has been involved since the inception of the program both financially and administratively including appointing citizens and a councillor to the committee. The GNPHC is requesting assistance in the amount of \$149,846.00 to maintain the project standard and an annual on-going contribution of \$40,000 towards building operating costs.

In response to questions raised, Mr. Blinkhorn advised that the initial mortgage repayment schedule reflected interest payments only and did not include any amounts for principal repayment. The repayment schedule was subsequently amended to include both interest and principal payments which resulted in the ongoing operating deficits.

The Committee requested that recent correspondence received from Heather Burke, Director of Housing for the County of Wellington, be provided to the Committee once further analysis takes place.

The Committee identified several issues:

- from a governance perspective, whether the management of the property should be from the same body that provides approvals.
- the absence of principal amounts in the original repayment schedule.

2. Moved by Mayor Farbridge
Seconded by Councillor Piper

REPORT

THAT the report dated March 15, 2010 with respect to Guelph Non Profit Housing Corporation Paisley Road Project, be received for information;

AND WHEREAS Guelph Non-Profit Housing Corporation (GNPHC) is an independent municipal non-profit housing corporation providing much needed social and affordable housing units in Guelph;

AND WHEREAS the Social Housing Reform Act 2000 transferred responsibility and accountability for all social housing to Consolidated Municipal Service Managers (CMSM);

AND WHEREAS the CMSM for Guelph and Wellington is the County of Wellington;

AND WHEREAS the CMSM for Guelph and Wellington entered into a Facility Agreement with GNPHC for the development and operation of the Paisley Road Project;

AND WHEREAS the Province of Ontario entered into a Provincial Contribution Agreement with GNPHC for the development and operation of the GNPHC Paisley Road Project;

AND WHEREAS the City of Guelph provided financial incentives towards the capital costs of this project with the understanding that the business plan for the project was sustainable;

AND WHEREAS the City of Guelph does not want to see the loss of these affordable housing units in the City;

THEREFORE be it resolved that the Guelph City Council assist the CMSM in addressing the financial concerns of GNPHC by requesting the Mayor write to MPP Liz Sandals asking for her assistance in arranging a meeting with the Province of Ontario in respect of the GNPHC Paisley Road Project.

Carried

Committee Mandate and Charter

REPORT

3. Moved by Councillor Piper
Seconded by Mayor Farbridge
THAT the Social Services and Housing Committee Mandate and Charter as amended and attached hereto as Schedule 1, be approved.

Carried

Child Care: Preliminary Findings and Position

REPORT

4. Moved by Councillor Piper
Seconded by Councillor Findlay
THAT in respect of the more than doubling of child care costs as projected in the County of Wellington's Five (5) year Forecast; that the County of Wellington be advised that at this time, the City of Guelph will not accept any financial liability to replace and/or offset

Child Care services and programs whose subsidies are being removed by other levels of government;

AND THAT as the Consolidated Municipal Service Manager designated to provide the planning and management of Child Care Services for Guelph-Wellington, that the County be asked to provide the City of Guelph with a Five Year Strategic Child Services Plan; a Plan which provides strategic options that respond to the anticipated consequences of reductions in provincial and federal subsidies, in order to maintain legislated child care requirements, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements;

AND THAT the County be asked to review, ensure accuracy and provide any additional information and comments along with detailed statistical information, to supplement the City of Guelph's Child Care Backgrounder (Attachment #1) as included in this report, with the additional data requirements to be detailed by City of Guelph staff.

Carried

Development of a Comprehensive Framework

REPORT

5. Moved by Mayor Farbridge
Seconded by Councillor Piper
THAT to assist City staff in evolving a more comprehensive understanding of, and framework for social services, that resources be allocated to a maximum of \$60,000 to provide the City with timely, specialized advice and support, to be funded from the City's salary gapping reserve fund.

Carried

Auditor General's Report in Respect of Social Services

REPORT

6. Moved by Mayor Farbridge
Seconded by Councillor Piper
THAT the City's auditors be requested to provide the City's Audit Committee with recommendations regarding:

- a. the additional scope of audit work required to ensure that the City's portion of shared services costs is calculated accurately;
- b. what documentation and internal audit work the City should be requiring from the County to support payment of Social Services costs; and
- c. independent assurance of the County's documentation and calculations with respect to the impact of the arbitrator's decision on social housing, including an

analysis of clients using the homeless shelter, and their subsequent usage of housing, child care and Ontario Works;

AND THAT the City seeks assistance from the Province and the Auditor General's office in ensuring that the appropriate accountability mechanisms, documentation and effective audit procedures are put in place.

Carried

CMSM Social Services Reports

The Acting Chair advised that committee members should advise the Chair of the committee and the Director of Finance of any issues they would like discussed resulting from the CMSM Social Services Reports before the next meeting so that the items can be placed on the next agenda.

In response to a question regarding Erin ambulance response times, the Director of Emergency Services provided information regarding his response to the Town of Erin.

The meeting adjourned at 4:53 p.m.

Next Meeting: April 19, 2010

.....
Chairperson

**SOCIAL SERVICES & HOUSING COMMITTEE
CONSENT AGENDA**

April 19, 2010

Members of the Social Services & Housing Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee’s consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>SSH-2010-A.8 GUELPH NON PROFIT HOUSING CORPORATION PAISLEY ROAD PROJECT</p> <p>THAT the Committee formally acknowledge with gratitude, the contributions of Liz Sandals, MPP and the Provincial Government towards the provision of interim financial assistance for the Guelph Non Profit Housing Corporation’s Paisley Road Project;</p> <p>AND THAT the City of Guelph request the Guelph Non Profit Housing Corporation, in conjunction with the Consolidated Municipal Service Manager, to develop a financial strategy to address future operating deficits.</p>	Approve
<p>B Items for Direction of Committee</p>	
<p>SSH-2010-B.1 JUNE MEETING DATE</p> <p>THAT the Social Services & Housing Committee meeting date scheduled for Monday, June 21, 2010 be rescheduled to Tuesday, June 22, 2010.</p>	Approve
<p>C Items for Information</p>	
<p>SSH-2010-C.5 CMSM SOCIAL SERVICE REPORTS</p>	
<p>SSH-2010-C.6 SUMMARY OF OUTSTANDING REQUESTS TO THE COUNTY OF WELLINGTON FROM THE SOCIAL SERVICES & HOUSING COMMITTEE</p> <p>attach.</p>	

COMMITTEE REPORT



TO **Social Services and Housing Committee**

SERVICE AREA Corporate Administration
DATE April 19, 2010

**SUBJECT Guelph Non Profit Housing Corporation
Paisley Road Project**

REPORT NUMBER

RECOMMENDATION

THAT the Committee formally acknowledge with gratitude, the contributions of Liz Sandals, MPP and the Provincial Government towards the provision of interim financial assistance for the Guelph Non Profit Housing Corporation's Paisley Road Project; and

THAT the City of Guelph request the Guelph Non Profit Housing Corporation, in conjunction with the Consolidated Municipal Service Manager, to develop a financial strategy to address future operating deficits.

BACKGROUND

The Social Services and Housing Committee Report and attachments dated March 15, 2010 entitled 'Guelph Non Profit Housing Corporation Paisley Road Project', provides detailed data on the organization's history as well as operational and financial issues related to the Paisley Road Project. The report was prepared in response to a Council direction requiring further information on this matter following a funding request from the Guelph Non Profit Housing Corporation (GNPHC) on December 8, 2009. An updated version of the GNPHC Background Report is attached as Appendix A.

Interim funds provided through the diligent efforts of Liz Sandals, MPP and the Provincial Government will address immediate needs of the Paisley Project. To ensure sustainable future resourcing, a solid financial strategy should be in place.

ATTACHMENTS

Appendix A: Updated GNPHC Background Report

Original Signed by:

Recommended By:

Hans Loewig, CAO

Guelph Non Profit Housing Paisley Road Project

Background information

Guelph Non Profit Housing Corporation (GNPHC)

- The incorporation of GNPHC, under the Corporations Act, was initiated by the City of Guelph in 1988 to take advantage of federal and provincial funding for social housing.
- GNPHC was constituted as a corporation without share capital under Letters Patent issued by the Ministry of Consumer and Commercial Relations on October 4, 1988.
- GNPHC is an independent municipal non-profit housing corporation, run by a Board of Directors.
- The Letters Patent indicate that no person shall be elected or appointed as a Director unless such election or appointment has prior approval of the City of Guelph.
- The County of Wellington, through Wellington and Guelph Housing Services, provides management services for GNPHC
- The liaison to the GNPHC is a County employee and this individual manages the employees of the GNPHC
- GNPHC is a social landlord for 512 subsidized rental housing units available to households on a rent geared to income basis, and an affordable housing landlord for 33 affordable market rent housing units for moderate income households.
- GNPHC properties are located in Guelph.

County Responsibility for Social and Affordable Housing

- Social Housing Reform Act 2000 transferred responsibility for all social housing to Consolidated Municipal Service Managers.
- The County of Wellington is designated as the CMSM for Guelph-Wellington.

Affordable Housing Program

- In May 2002, the Canadian Mortgage and Housing Corporation and the Province of Ontario (Ministry of Municipal Affairs and Housing - MMAH) signed a bilateral agreement to supply affordable housing (the Canada-Ontario Affordable Housing Agreement).
- In December 2002, the Province (MMAH) announced their Affordable Housing Program to implement the Canada-Ontario Affordable Housing Agreement (the Community Rental Housing Component).
- In December 2002, the CMSM for Wellington and Guelph were allotted a 100 affordable rental unit allocation through the Canada-Ontario Affordable Housing Program – Community Rental Housing Program.

- In December 2002, City Council approved participation in the program along with potential municipal financial incentives amounting up to \$19,000 per rental unit including multiple unit tax class reclassification credits, development charge waivers, and tax exemptions.
- On January 22, 2003, a joint City/County Council workshop outlined the decision process for the new program in their respective municipal areas including sources of funding (\$2000 in provincial funding and up to \$25,000 matching federal funding), how to fund matching contributions, and other municipal requirements for participation. Municipal incentives were anticipated to be provided from the City and lower tier County municipalities to secure federal funds. It was agreed that the CMSM would enter into Facility Agreements with proponents only at the request and acceptance of the municipality in question (i.e. the CMSM could not commit municipal incentives for another jurisdiction), and a targeted allocation split of 75% City and 25% County was proposed based on the formula for apportioning costs between the City and the County.
- In February 2003, a report to the County's Seniors and Social Services Committee recommended that the CMSM participate in the program, negotiate an agreement with the Province of Ontario to deliver the program in the Wellington CMSM and issue a request for proposals.
 - The CMSM role in the program was to administer the provincial and any local requirements, including the tender process for approval of affordable housing in the CMSM and to provide ongoing administration of the program.
 - The Province requires the CMSM to meet the requirements of the program, including recommendation of the financial viability of proponents in the tendering process; this included the responsibility to review financial statements to determine the financial viability of proponents in the tendering process.
- In February 2003, a report to the County's Seniors and Social Services Committee recommended adoption of the Municipal Housing Facility By-law for the CMSM
 - The Municipal Housing Facility By-law included a clause ensuring approval by City Council of any municipal financial incentive being sought for housing proposals in Guelph.
- The City was invited to participate in the tender and evaluation process for proposals along with representatives from MMAH.
- Stage 1 of the tendering process was completed in the spring 2003.
- Two projects (total of 77 units) were eligible to move to Stage 2 of the tendering process.
- In August 2003, a report to the County's Seniors and Social Services Committee recommended the tender be awarded to two projects (both in Guelph) and that the City be asked to approve the projects and municipal financial incentives at \$23,000.

- In September 2003, Council did not approve the projects as the municipal incentives requested by the CMSM exceeded the amount pre-approved by City Council; the report requested that the CMSM retender the program providing explicit upper limits on the City's municipal incentives (\$19,000/unit).
- In September 2003, a report to the County's Seniors and Social Service Committee recommended the third tender be awarded to four projects (total of 94 units)
 - 3 projects were in the City (GNPHC, Guelph Unit 344 Army Navy Airforce Veterans of Canada, 805395 Ontario Ltd. through J. Lammer Developments Ltd.)
 - 1 project was in the County (Matrix Affordable Homes for the Disadvantaged)
- At the same September 2003 report, it was recommended
 - approval be sought from the City for the three Guelph projects and the municipal financial incentives requested
 - the CMSM enter into Facility Agreements with each proponent
 - the list of successful proponents be forwarded to the Province
- In October 2003, City Council accepted the three projects and approved the municipal contribution (\$18,882/unit)

Paisley Road Project

- GNPHC responded to the original proposal call by the Wellington Guelph CMSM (Service Manager) under the Canada-Ontario Affordable Housing Program (Community Rental Housing) in 2003.
- GNPHC re-submitted their proposal in September 2003 to undertake development activity for affordable housing in return for financial benefits from MMAH and the CMSM (through the respective municipalities) and contributions provided by GNPHC.
- The CMSM approved the GNPHC tender subject to conditions in September 2003.
- In December 2004, the City entered into a Development Charges Late Payment Agreement with GNPHC.
- In April 2005, the City exempted the Paisley Road project from municipal taxes for 10 years and waived the building permit and site plan application fees, and provided for a full exemption from development charges once the Loan provided for in the Facility Agreement has been fully forgiven.
- In March 2005, a Provincial Contribution Agreement for the Affordable Housing Program Community Rental Housing Funding Program to create new affordable rental units was signed by the Province of Ontario (Minister David Caplan) and GNPHC (Chair David Braun and Vice Chair Dan Schnurr)
- In May 2005, a Facility Agreement between the CMSM and GNPHC was signed by the County Warden and County Clerk and the Chair and Vice Chair of GNPHC.

- The agreement notes the CMSM has approved of the tender subject to conditions including the condition that the CMSM provides funding under the Community Rental Housing Program to the proponent for the implementation of the tender and that the CMSM has entered into this agreement pursuant to the Municipal Act and the Municipal Housing Facility By-law.
- The City met all its obligations with respect to the provision of municipal financial incentives at the time of project commitment.
 - The City's contribution was set out in By-law 2005-17709.
- The City did not co-sign the construction loan.
- There are two mortgages registered on the property: one in the amount of \$4.5 million held by the Royal Bank of Canada (registered 2004/12/07) and the second originally in the amount of \$1.116 million held by the Province and the County (registered 2005/07/19).
 - The second mortgage (held by the Province and County) was increased to \$1.182 million in 2006. The mortgage held by the Province and County appears to be fully forgivable, including the interest, and is held as collateral security for the Provincial (\$957,000)/ County (\$224,930) contribution to the Project.
 - the Facility Agreement states that the portion of the Loan from the CMSM, which is the \$224,930 mentioned above, includes "all contributions made by the City of Guelph and comprise the following components: (i) cash \$75,357 and (ii) development charges set off \$149,573".
- In October 2009, City representatives and MPP Liz Sandals attended a meeting at the request of the Warden to be briefed on the financial issues of the Paisley Road development.
 - Heather Burke, Director of Housing, Wellington Guelph Housing Services, advised that the mortgage schedule entered into by GNPHC differed from the mortgage schedule reviewed during the approval of the project; this resulted in the business plan for the project being financially unsustainable.
 - The following additional information was provided by Heather Burke regarding the change in the mortgage schedule:
 - The County gave approval on September 25, 2003.
 - The City gave approval to its municipal contributions on October 6, 2003.
 - The Province gave conditional approval on March 18, 2004.
 - Provincial Contribution Agreement (between the CMSM and the Province) was signed March 30, 2005
 - Facility Agreement (between GNPHC and the CMSM) was signed May 27, 2005.

- The Provincial approval and conditions were met on the basis of the information in the first mortgage documents and first mortgage schedule dated November 16, 2004.
- It was in the period prior to occupancy in late 2005, post the provincial and CMSM agreements, that the mortgage schedule payment change was identified in the final operating budget.
- The “business case” prior to Provincial and CMSM final approvals and entering into the agreements was sustainable.
- The deficits were realized after the agreements were signed. At that point, the group did their due diligence to investigate it, including involvement of the County as CMSM in which two measures were taken, to help sustain the project operations.
 - At the March 2010 meeting of the City’s Social Services Committee, Harry Blinkhorn, County employee and management liaison to the GNPHC Board, advised that the original mortgage schedule from the bank did not include principal payments but only interest payments.
 - Clauses 8.3 and 8.4 of the Facility Agreement allow the CMSM access to the books and accounts and to conduct an audit, investigation or inquiry into the project. Presumably the CMSM would have had access through its management role. The extent of any measures undertaken by the CMSM since 2005 to date to help sustain the operations is not available at time of writing of this updated backgrounder.
- In November 2009, City Council received correspondence from GNPHC requesting financial assistance.
- On December 5, 2009, GNPHC made a delegation to the City Council’s 2010 budget process for financial assistance.
 - The GNPHC is seeking financial assistance for \$149,846 in an operating deficit and an annual contribution of \$40,000 per year.
 - The operating shortfall will be further impacted when the City’s contribution of a 10 year tax reduction ends.

**Requests to the County of Wellington
from the
Social Services & Housing Committee of the City of Guelph**

Requested by	Matter	Status
SSH Committee February 16, 2010	Continuity Schedule for one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital Reserve	outstanding
SSH Committee February 16, 2010	Status and business case for the new child care centre and administration centre for child care services proposed in 2012	outstanding
SSH Committee February 16, 2010	Proposed increase in municipal costs to cover expenses for the Citizenship and Immigration Canada contract and the one time Enhanced Employment Services programs which will not be renewed in 2011	outstanding
SSH Committee February 16, 2010	List of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme – Amended Take up Plan" dated January 13, 2010	outstanding
SSH Committee February 16, 2010	Breakdown of the 2008 Social Housing Capital Repair fund – Re-Allocation of \$1,295,262	outstanding
Council March 22, 2010	provide the City with a 5 year Strategic Child Services Plan, which provides strategic options that respond to the anticipated consequences of reduction in provincial and federal subsidies, in order to maintain legislated child requirement, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements; County asked to review accuracy and provide any additional information and comments along with detailed statistical	outstanding

	information, to supplement the City of Guelph's Child Care Backgrounder, with the additional data requirements to be detailed by City staff	
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**The Corporation of the City of Guelph
Social Services & Housing Committee
April 19, 2010, 3:15 p.m.**

A meeting of the Social Services & Housing Committee was held on April 19, 2010 in the Council Committee Meeting Room at 3:15 p.m.

Present: Councillors Laidlaw, Hofland, Findlay, Piper and Mayor Farbridge

Also Present: Councillors Bell, Farrelly, Salisbury and Wettstein

Staff Present: Ms. A. Pappert, Director of Community Services; Ms. L.E. Payne, Director of Corporate Services/City Solicitor; Ms. B. Boisvert, Manager Strategic Planning & Corporate Initiatives

There was no disclosure of pecuniary interest.

1. Moved by Councillor Findlay
Seconded by Councillor Hofland
THAT the minutes of the Social Services & Housing Committee meeting held on March 15, 2010 be confirmed as recorded and without being read.

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

- | | |
|--------------|--|
| SSH-2010 A.8 | Guelph Non Profit Housing Corporation Paisley Road Project |
| SSH-2010 C.5 | CMSM Social Services Reports |
| SSH-2010 C.6 | Summary of Outstanding Requests to the County of Wellington from the Social Services and Housing Committee |

June Meeting Date

2. Moved by Councillor Piper
Seconded by Councillor Hofland
THAT the Social Services & Housing Committee meeting date scheduled for Monday, June 21, 2010 be rescheduled to Tuesday, June 22, 2010.

Councillor Laidlaw
Mrs. L.A. Giles

Guelph Non Profit Housing Corporation Paisley Road Project

3. Moved by Councilor Hofland
Seconded by Mayor Farbridge

REPORT

THAT the Committee formally acknowledge with gratitude, the contributions of Liz Sandals, MPP and the Provincial Government towards the provision of interim financial assistance for the Guelph Non Profit Housing Corporation's Paisley Road Project;

AND THAT the City of Guelph request the Guelph Non Profit Housing Corporation, in conjunction with the Consolidated Municipal Service Manager, to develop a financial strategy prior to 2011 to address future operating deficits.

CMSM Social Services Reports

Mayor Farbridge advised that the City needs to be aware of potential financial liability as noted in the Ministry of Training, Colleges and Universities New Employment Service Model report within the County's March Social Services Agenda as the City may be expected to pick up any shortfalls. She also noted that this is a discretionary program.

4. Moved by Mayor Farbridge
Seconded by Councillor Piper

Mrs. L.A. Giles

THAT the City Clerk request the County of Wellington to provide a breakdown of the City and County allocation of federal funding for the Social Housing and Renovation Repair Program;

AND THAT the City Clerk request the County of Wellington to provide a breakdown of the City and County allocation of federal funding for the Renewable Energy Initiative under the Social Housing Renovation and Repair Programme (SHRRP).

AND THAT the City Treasurer be requested to comment on the County's April Social Services Committee report regarding the Social Services Housing Stabilization Reserve with respect to the new policy and the appropriateness of the use of the revenues.

Carried

Mayor Farbridge also noted that the County's April Social Services committee report regarding Citizenship and Immigration Canada Contract Supervisor position states that this position will be a contract position funded by the federal government. If the funding ceases, the position will no longer be required and the contract will not be renewed.

Summary of Outstanding Requests to the County of Wellington from the Social Services and Housing Committee

The committee reviewed the status of the requests to the County of Wellington from the Social Services and Housing Committee.

- 5. Moved by Mayor Farbridge
Seconded by Councillor Hofland

Councillor Laidlaw

THAT the Chair of the Social Services & Housing Committee write to the Chair of the County Social Services Committee to determine the status of the outstanding requests to the County from the Social Services Committee and the best method for the City to receive responses to their requests.

The meeting adjourned at 3:50 p.m.

.....
Chairperson

COMMITTEE AGENDA



TO **Social Services & Housing Committee**

DATE May 17, 2010

LOCATION Council Committee Room (Room 112)

TIME 4:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST

CONFIRMATION OF MINUTES

April 19, 2010

PRESENTATIONS (Items with no accompanying report)

a)

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Social Services and Housing Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
SSH-2010-C.7 CMSM Social Services Reports			
SSH-2010-C.8 Summary Of Outstanding Requests To The County Of Wellington From The Social Services & Housing Committee			

Resolution to adopt the balance of the Governance Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

OTHER BUSINESS

NEXT MEETING

June 22, 2010

**The Corporation of the City of Guelph
Social Services & Housing Committee
April 19, 2010, 3:15 p.m.**

A meeting of the Social Services & Housing Committee was held on April 19, 2010 in the Council Committee Meeting Room at 3:15 p.m.

Present: Councillors Laidlaw, Hofland, Findlay, Piper and Mayor Farbridge

Also Present: Councillors Bell, Farrelly, Salisbury and Wettstein

Staff Present: Ms. A. Pappert, Director of Community Services; Ms. L.E. Payne, Director of Corporate Services/City Solicitor; Ms. B. Boisvert, Manager Strategic Planning & Corporate Initiatives

There was no disclosure of pecuniary interest.

1. Moved by Councillor Findlay
Seconded by Councillor Hofland
THAT the minutes of the Social Services & Housing Committee meeting held on March 15, 2010 be confirmed as recorded and without being read.

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

- | | |
|--------------|--|
| SSH-2010 A.8 | Guelph Non Profit Housing Corporation Paisley Road Project |
| SSH-2010 C.5 | CMSM Social Services Reports |
| SSH-2010 C.6 | Summary of Outstanding Requests to the County of Wellington from the Social Services and Housing Committee |

June Meeting Date

2. Moved by Councillor Piper
Seconded by Councillor Hofland
THAT the Social Services & Housing Committee meeting date scheduled for Monday, June 21, 2010 be rescheduled to Tuesday, June 22, 2010.

Councillor Laidlaw
Mrs. L.A. Giles

Guelph Non Profit Housing Corporation Paisley Road Project

3. Moved by Councilor Hofland
Seconded by Mayor Farbridge

REPORT

THAT the Committee formally acknowledge with gratitude, the contributions of Liz Sandals, MPP and the Provincial Government towards the provision of interim financial assistance for the Guelph Non Profit Housing Corporation's Paisley Road Project;

AND THAT the City of Guelph request the Guelph Non Profit Housing Corporation, in conjunction with the Consolidated Municipal Service Manager, to develop a financial strategy prior to 2011 to address future operating deficits.

CMSM Social Services Reports

Mayor Farbridge advised that the City needs to be aware of potential financial liability as noted in the Ministry of Training, Colleges and Universities New Employment Service Model report within the County's March Social Services Agenda as the City may be expected to pick up any shortfalls. She also noted that this is a discretionary program.

4. Moved by Mayor Farbridge
Seconded by Councillor Piper

Mrs. L.A. Giles

THAT the City Clerk request the County of Wellington to provide a breakdown of the City and County allocation of federal funding for the Social Housing and Renovation Repair Program;

AND THAT the City Clerk request the County of Wellington to provide a breakdown of the City and County allocation of federal funding for the Renewable Energy Initiative under the Social Housing Renovation and Repair Programme (SHRRP).

AND THAT the City Treasurer be requested to comment on the County's April Social Services Committee report regarding the Social Services Housing Stabilization Reserve with respect to the new policy and the appropriateness of the use of the revenues.

Carried

Mayor Farbridge also noted that the County's April Social Services committee report regarding Citizenship and Immigration Canada Contract Supervisor position states that this position will be a contract position funded by the federal government. If the funding ceases, the position will no longer be required and the contract will not be renewed.

Summary of Outstanding Requests to the County of Wellington from the Social Services and Housing Committee

The committee reviewed the status of the requests to the County of Wellington from the Social Services and Housing Committee.

- 5. Moved by Mayor Farbridge
Seconded by Councillor Hofland

Councillor Laidlaw

THAT the Chair of the Social Services & Housing Committee write to the Chair of the County Social Services Committee to determine the status of the outstanding requests to the County from the Social Services Committee and the best method for the City to receive responses to their requests.

The meeting adjourned at 3:50 p.m.

.....
Chairperson

**SOCIAL SERVICES & HOUSING COMMITTEE
CONSENT AGENDA**

May 17, 2010

Members of the Social Services & Housing Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Governance Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
B Items for Direction of Committee	
C Items for Information	
SSH-2010-C.7 CMSM Social Services Reports	
SSH-2010-C.8 Summary Of Outstanding Requests To The County Of Wellington From The Social Services & Housing Committee	
attach.	

**Requests to the County of Wellington
from the
Social Services & Housing Committee of the City of Guelph**

Requested by	Matter	Status
SSH Committee February 16, 2010	Continuity Schedule for one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital Reserve	outstanding
SSH Committee February 16, 2010	Status and business case for the new child care centre and administration centre for child care services proposed in 2012	outstanding
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SSH Committee February 16, 2010	List of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme – Amended Take up Plan" dated January 13, 2010	outstanding
SSH Committee February 16, 2010	Breakdown of the 2008 Social Housing Capital Repair fund – Re-Allocation of \$1,295,262	outstanding
Council March 22, 2010	provide the City with a 5 year Strategic Child Services Plan, which provides strategic options that respond to the anticipated consequences of reduction in provincial and federal subsidies, in order to maintain legislated child requirement, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements; County asked to review accuracy and provide any additional information and comments along with detailed statistical	outstanding

	information, to supplement the City of Guelph's Child Care Backgrounder, with the additional data requirements to be detailed by City staff	
SSH Committee April 19, 2010	Guelph Non-Profit Housing Corporation in conjunction with the County develop a financial strategy to mitigate future operating costs deficits prior to 2011 for the Paisley Road Project	outstanding (requested April 28/10)
SSH Committee April 19, 2010	Breakdown of the Social Housing and Renovation Repair Program	outstanding (requested April 28/10)
SSH Committee April 19, 2010	Breakdown of the City and County allocation of federal funding for the Renewable Energy Initiative under the Social Housing Renovation and Repair Programme (SHRRP)	outstanding (requested April 28/10)

May 10, 2010

**The Corporation of the City of Guelph
Social Services & Housing Committee
May 17, 2010, 4:00 p.m.**

A meeting of the Social Services & Housing Committee was held on May 17, 2010 in the Council Committee Meeting Room at 4:00 p.m.

Present: Councillors Laidlaw, Hofland, Findlay, Piper and Mayor Farbridge

Also Present: Councillors Beard and Bell

Staff Present: Ms. M. Neubauer, Director of Finance; Ms. S. Smith, Associate Solicitor

There was no disclosure of pecuniary interest.

1. Moved by Councillor Findlay
Seconded by Councillor Piper

THAT the minutes of the Social Services & Housing Committee meeting held on April 19, 2010 be confirmed as recorded and without being read.

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

- | | |
|--------------|--|
| SSH-2010 C.7 | CMSM Social Services Reports |
| SSH-2010 C.8 | Summary of Outstanding Requests to the County of Wellington from the Social Services and Housing Committee |

CMSM Social Services Reports

2. Moved by Mayor Farbridge
Seconded by Councillor Hofland

Ms. M. Neubauer

THAT staff report back on the City's position of the allocation of funds on the Continuity Schedule for the Best Start Early Learning Programme and for the Social Housing Renovation and Retrofit Program;

AND THAT staff determine whether the Enhanced Employment Services program is discretionary or not and if so is Council approval required to fund the program beyond the federal and provincial support;

Carried

Staff will advise whether there are any impacts on the City's 2010 budget resulting from the Federal and Provincial stabilization funding to the County regarding the Early Learning and Childcare Program.

**Summary of Outstanding
Requests to the County of Wellington from the Social Services
and Housing Committee**

Staff advised they are meeting with County staff to develop the best process of communication between the City and County regarding sharing information and information requests.

- 3. Moved by Councillor Piper
Seconded by Mayor Farbridge

Mrs. L.A. Giles

THAT any correspondence regarding matters from the City's Social Services and Housing Committee being forwarded to the County of Wellington be addressed to their Chief Administrative Officer with copies sent to the County Clerk and the County Chair of the Social Services Committee.

The meeting adjourned at 4:22 p.m.

.....
Chairperson

COMMITTEE AGENDA



TO **Social Services & Housing Committee**

DATE June 22, 2010

LOCATION Council Committee Room (Room 112)

TIME 3:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST

CONFIRMATION OF MINUTES

May 17, 2010

PRESENTATIONS (Items with no accompanying report)

- a) St. Joseph's Health Centre Foundation – Mary DuQuesnay, Executive Director

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Social Services and Housing Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
SSH-2010-A.9 Best Start Operating and Capital Reserve Fund			
SSH-2010-A.10 Staff Support To City Social Services & Housing Committee			
SSH-2010-C.9 CMSM Social Services Reports			
SSH-2010-C.10 Summary Of Outstanding Requests To The County Of Wellington From The Social Services & Housing Committee			
SSH-2010-C.11 The County Of Wellington's			

Response To The City's Social Services & Housing Committee Requests			
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Resolution to adopt the balance of the Governance Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

OTHER BUSINESS

NEXT MEETING

July 19, 2010

**The Corporation of the City of Guelph
Social Services & Housing Committee
May 17, 2010, 4:00 p.m.**

A meeting of the Social Services & Housing Committee was held on May 17, 2010 in the Council Committee Meeting Room at 4:00 p.m.

Present: Councillors Laidlaw, Hofland, Findlay, Piper and Mayor Farbridge

Also Present: Councillors Beard and Bell

Staff Present: Ms. M. Neubauer, Director of Finance; Ms. S. Smith, Associate Solicitor

There was no disclosure of pecuniary interest.

1. Moved by Councillor Findlay
Seconded by Councillor Piper
THAT the minutes of the Social Services & Housing Committee meeting held on April 19, 2010 be confirmed as recorded and without being read.

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

- | | |
|--------------|--|
| SSH-2010 C.7 | CMSM Social Services Reports |
| SSH-2010 C.8 | Summary of Outstanding Requests to the County of Wellington from the Social Services and Housing Committee |

CMSM Social Services Reports

2. Moved by Mayor Farbridge
Seconded by Councillor Hofland
Ms. M. Neubauer THAT staff report back on the City's position of the allocation of funds on the Continuity Schedule for the Best Start Early Learning Programme and for the Social Housing Renovation and Retrofit Program;

AND THAT staff determine whether the Enhanced Employment Services program is discretionary or not and if so is Council approval required to fund the program beyond the federal and provincial support;

Carried

Staff will advise whether there are any impacts on the City's 2010 budget resulting from the Federal and Provincial stabilization funding to the County regarding the Early Learning and Childcare Program.

**Summary of Outstanding
Requests to the County of Wellington from the Social Services
and Housing Committee**

Staff advised they are meeting with County staff to develop the best process of communication between the City and County regarding sharing information and information requests.

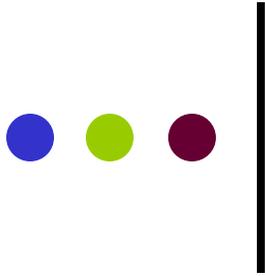
Mrs. L.A. Giles

3. Moved by Councillor Piper
Seconded by Mayor Farbridge

THAT any correspondence regarding matters from the City's Social Services and Housing Committee being forwarded to the County of Wellington be addressed to their Chief Administrative Officer with copies sent to the County Clerk and the County Chair of the Social Services Committee.

The meeting adjourned at 4:22 p.m.

.....
Chairperson



St. Joseph's Health Centre

The Next Generation of Affordable Senior Housing

Presented to:

**The Social Services
and Housing Committee**

June 22, 2010





St. Joseph's Health Centre

YESTERDAY

- Serving the community since 1861
 - Guelph's first hospital
 - home for the indigent
 - hospice
- Adapting to changing needs





YESTERDAY





Today

- St. Joseph's is Guelph's only specialty hospital for **complex continuing care**
 - Chronic disease costs us \$100 B a year
 - 70% of Canada's health budget
 - focus of health care in 21st century
 - 70% of Canadians over the age of 45 are living with at least 2 chronic conditions like diabetes, osteoporosis, arthritis, cancer, kidney disease, heart disease, Alzheimer's disease, the effects of stroke and many others
 - One in 7 Canadians are living with **3 chronic conditions**



Today

- Guelph's only specialty rehabilitation hospital for short and long-term rehab
 - Recovery from accidents on the job or on the road, amputation, slip and fall, stroke, joint replacement, surgery and other traumatic events
- Guelph's first choice for long-term care
 - Dual role as home and hospital brings resources and synergies to the table



Today

- Community Outreach Adult Day Programs recognized as among the best in Canada
 - Geriatric
 - Acquired Brain Injury
 - Helps people still living in the community maintain their independence and avoid premature admission to long-term care
 - They stay where they want to be and health care dollars go to where need is greatest
- Clinics
 - osteoporosis • rheumatology • geriatric assessment • physiatry (nerve and muscle) • speech/language pathology • P/T • O/T



Tomorrow

- What's coming
 - More seniors
 - 1921 seniors were 5% of population
 - 2031 seniors will be 20% of population
 - More seniors living longer (often coping with multiple complex conditions)
 - 1921 life expectancy 60 years
 - 2009 life expectancy is 81.2 years



Tomorrow (starting today)

- **An ambitious and comprehensive redevelopment of St. Joseph's facility and campus will see our 44-acre site completely revitalized – an initiative that will help us serve emerging community needs more effectively.**
- **leverages private philanthropy to bring more than \$52.4 million in infrastructure spending to Guelph starting in 2009**
- **supports innovation and creates more health care and housing capacity for senior men and women in Guelph/Wellington**



Senior supportive housing initiative

- Why
- Where
- Who
- When
- How



Why seniors' housing?

- Need
- Opportunity
- Resource



Need

- rental residential units declined nearly 7% over the past 10 years; below the provincial average of 28.8%;
- 36% of all rental units require repair, over 50% of all rental stock in the County was built before 1970;
- the vacancy rate in the Guelph CMA is 2.3%, which is below the threshold for a balance vacancy rate of 3%;
- proportion of units that are rented in continual decline;
- waiting list (3 - 9 years) relatively constant over the past 5 years;
- 1,300 households on the social housing waiting list, 400 are seniors;



Need

- social housing stock is aging; requires significant major replacement;
- only 149 affordable rental housing units were created in Wellington County and Guelph 2003 -10;
- about 40% of households are paying more than 30% of their income as rent; represents 1 in every 2.5 tenant households, double the provincial average of 1 in every 5;
- Place to Grow Act and the Provincial Policy Statement require the County of Wellington and City of Guelph to target 25% of any new housing for low to moderate income households;
- adequate, affordable housing is an important determinant of good health.



Opportunity

- Funding became available in 2009 through the Canada-Ontario Housing Program – Affordable Housing Program (AHP) Extension 2009 – New Rental Housing Component
- A joint initiative between the Province of Ontario and Government of Canada through CMHC



Resource

- St. Joseph's Health Centre is located on a 44 acre park-like campus
- future tenants can access services like clinics (geriatrician, rheumatologist, physiotherapy), telemedicine, Outreach Day Programs, health promotion seminars, auditorium, dietary (Meals on Wheels), chapel, volunteer opportunities and more
- St. Joseph's Transportation Program
- accessible public transit



Where

- 9 acre site located at 120 Westmount Road was rezoned in 2008 to permit the development of up to 300 senior dwelling units on three land parcels.
 - 2 parcels are intended for the development of Life Lease apartments for moderate income seniors aged 60 years or older.
 - 3rd parcel has been reserved for the development of an affordable rental building for frail seniors who require assisted-living support services in order to live independently.



Who

- Gary Zock - Zock & (1994) Associates Inc., Toronto Housing Consultant
- Blandford Gates - Fleiss Gates McGowan Easton Architects Inc., Toronto Project Architect
- Brian Stevanus and Jeff Almond - Van-Del Contracting Ltd., Kitchener- Construction Manager
- Greg Playford - Devonshire Financial (London) Inc., London Financing Consultant
- St. Joseph's Health Centre Property Management
 - St. Joseph's will manage the proposed affordable rental project with existing staff infrastructure plus a property management employee as well as custodial and janitorial staff to perform repairs and do maintenance.



What

- 80 1 and 2-bedroom apartment units
- 6-storey concrete structure with stucco façade
- ground floor resident amenity rooms and spaces for delivery of assisted-living services
 - a dining room with servery
 - resident common room
 - support service offices
 - resident lounge
 - management office
 - common laundry



What

- all amenity areas and floors will be fully handicapped accessible
- St. Joseph's proposing 14 fully handicapped accessible units – 17.5% of the proposed units.
 - need for more handicapped accessible units will be evaluated in consultation with the Community Care Access Centre and other community agencies and may be adjusted slightly prior to construction start.



When

- funding approval received 2010
- awaiting final Commitment Letter from the provincial government
- upon receipt of the Commitment Letter, the Ministry will provide St. Joseph's with a Provincial Contribution Agreement. St. Joseph's must execute and return this Agreement within 30 days of receipt
- building permit applied for, severances and easements granted and being registered



How

- Total cost \$13.7 M
 - \$9.6 million grant
 - \$4.8 from provincial government
 - \$4.8 from federal government
 - \$3.1 million mortgage
 - 10 yr term, 40 year amortization
 - \$1,000,050 equity



What else (ancillary benefits)

- An ambitious and comprehensive redevelopment of St. Joseph's facility and campus will see our 48-acre site completely revitalized -- an initiative that will help us serve emerging community needs more effectively.
- leverages private philanthropy to bring more than **\$52.4 million** in infrastructure spending to Guelph
- supports innovation and creates more health care and housing capacity for senior men and women in Guelph/Wellington
- support from federal and provincial governments



What else (ancillary benefits)

- The expansion of St. Joseph's facility backdrop to bringing to Guelph the next generation of physicians, nurses, therapists, clinicians, and researchers will provide innovative care for today's and tomorrow's seniors.



What else (ancillary benefits)

- Significant employment created over the 18 month construction period.
- 4,952 man hours per annum for custodial and project management
- 17,992 man hours for provision of assisted-living support services such as Personal Service Workers, program development, housekeeping, dietary and food worker and laundry services staff.



The big picture

- to create a campus where seniors, frail elderly and individuals with disabilities can age-in-place, provided with a continuum of care, services and housing to support their well-being.
 - 144 Long Term Care Beds (*completed in 2002*)
 - 27 Rehabilitation Beds (*completed in 2002*)
 - 50 Complex Continuing Care Beds (*completed in 2002*)
 - 8 Alternative Level of Care Beds (*completed in 2008*)
 - 6 Palliative Care Beds (*completed in 2008*)
 - 96 Long Term Care Beds (*under construction*)
 - 175 Life Lease apartments (80 units under review)
 - 80 units senior supportive rental units (*funding approved*)
 - Future hospital (*proposed*)



The Next Generation Campaign

- 96 new long-term care beds \$2.2 million
- a new Outreach Centre for our independence-supporting geriatric and acquired brain injury adult day programs \$2.6 million
- a community meeting space \$442K
- a ground-breaking garden for our rehab hospital that will be unique to North America \$325K



This is St. Joseph's growing

Challenge: Not enough beds

- There's a shortage of long-term care beds.
- More seniors means a growing demand for long-term care.
- Not enough long-term care beds leads to overcrowded emergency rooms.

Solution: Leading the way in long-term care

- St. Joseph's is adding 96 new long-term care beds.
- St. Joseph's delivers high quality care – right here in Guelph.
- New beds will help our community's entire health care system operate more effectively.



Cherish yesterday. Dream tomorrow. Act today.



This is St. Joseph's growing

Challenge: Not enough room

- The need for supportive day programs for seniors is growing
- Caring for frail seniors at home can be challenging and stressful for their loved ones.
- Adults with acquired brain injuries are going without the help they need.

Solution: Space to grow

- Our redeveloped Day Program Centre will provide more independence-supporting services for more people.
- The new Day Program Centre will provide an on-going resource to help caregivers.
- The new space will serve more acquired brain injury survivors, more effectively.



Cherish yesterday. Dream tomorrow. Act today.



This is St. Joseph's growing

Challenge:
Not enough community

- Our current meeting space cannot safely accommodate all of our residents and patients.
- Our present space limits the access community members have to the great resources St. Joseph's has to offer.

Solution:
A room that builds community

- Our new, expanded auditorium will create a space where we can come together as a community.
- Our new auditorium/community room will help connect Guelph to St. Joseph's resources and expertise.

Cherish yesterday. Dream tomorrow. Act today.



This is St. Joseph's growing

Challenge: Not enough reality

- To make a better comeback, rehab patients need to test what they learn in real life conditions.
- We need to find better ways to motivate and help people recovering from stroke, surgery, injury, and illness.

Solution: Innovation for better preparation

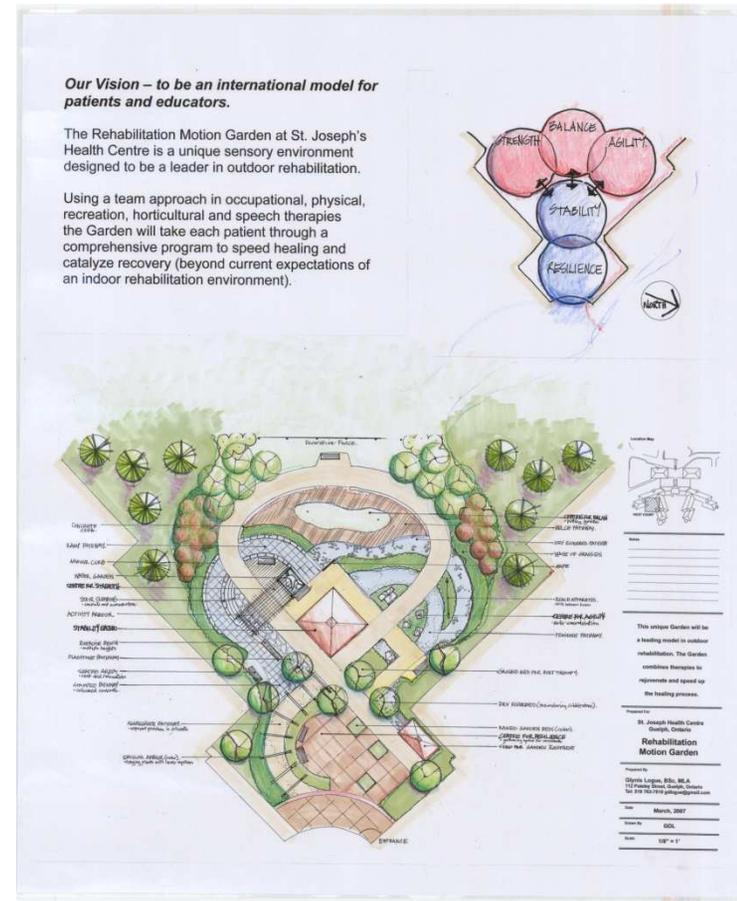
- Patients will practice the skills they'll need when they get home in a real life, outdoor setting.
- St. Joseph's new Rehabilitation Motion Garden will be the first of its kind in North America.
- We'll conduct research on how to use the outdoors to speed recovery and share it with other health care providers.

Cherish yesterday. Dream tomorrow. Act today.



Rehab motion garden

- Therapeutic tool
 - improve outcomes
 - increase motivation
 - speed healing
 - reduce costs
- Innovative
 - 1st of its kind in North America
 - support research and learning





Summary

- 80 units of supportive senior housing
- part of bigger picture to revitalize St. Joseph's 44-acre site
- leveraging private philanthropy to bring more than \$52 M in infrastructure spending to Guelph
- preparing now to meet today's and tomorrow's needs

**SOCIAL SERVICES & HOUSING COMMITTEE
CONSENT AGENDA**

June 22, 2010

Members of the Social Services & Housing Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Social Services & Housing Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>SSH-2010-A.9) BEST START OPERATING AND CAPITAL RESERVE FUND</p> <p>THAT the Best Start Reserve fund be used to support City/County eligible expenditures in the same proportion as the proportion of City/County children benefitting from prescribed programs in 2005 and 2006, when the grant was originally received:</p> <p>AND THAT the County be requested to restore the City share of Provincial and Federal funds to the Best Start Reserve Fund, including interest, and to use its own source funds for the portion of the Mount Forest Child Care Centre (a discretionary service) that would exceed its proportion of the Best Start Reserve Fund.</p>	Approve
<p>SSH-2010-A.10) STAFF SUPPORT TO CITY SOCIAL SERVICES & HOUSING COMMITTEE</p> <p>THAT the Director of Community Services be assigned the responsibility to lead the development of a constructive working relationship between the Consolidated Municipal Services Manager (CMSM) and the City of Guelph through the Community Services Department;</p> <p>AND THAT the Director of Community Services provides the City's Social Services and Housing Committee with a work plan and request for required resources in the summer of 2010.</p>	Approve
<p>B Items for Direction of Committee</p>	

C Items for Information

SSH-2010-C.9 **CMSM Social Services Reports**

SSH-2010-C.10 **Summary Of Outstanding Requests To The
County Of Wellington From The Social Services &
Housing Committee**

SSH-2010-C.11 **County of Wellington's Response to the City's
Social Services and Housing Committee Requests**

Attach

COMMITTEE REPORT



TO **Social Services and Housing Committee**

SERVICE AREA Social Services & Housing

DATE June 22, 2010

SUBJECT Best Start Reserve Fund

REPORT NUMBER FIN-10-18

RECOMMENDATION

THAT the Best Start reserve fund be used to support City/County eligible expenditures in the same proportion as the proportion of City/County children benefiting from prescribed programs in 2005 and 2006, when the grant was originally received, and further

THAT the County be requested to restore the City share of Provincial and Federal funds to the Best Start Reserve fund, including interest, and to use its own source funds for the portion of the Mount Forest Child Care Centre (a discretionary service) that would exceed its proportion of the Best Start Reserve fund.

BACKGROUND

As the Consolidated Municipal Service Manager (CMSM), the County of Wellington through its Child Care Services Division of the County's Social Services Department is responsible for the planning and management of the delivery of child care services throughout Guelph and Wellington County. Attached to this report as Appendix 1 is an extract from County documents provided during the arbitration, providing an overview of the Child Care Services delivered.

The document provides data as of June 2009 regarding subsidized child care spaces and service level statistics. The document indicates that the percentage split of overall program usage including subsidized child care spaces, Special Needs and Wage Subsidies is 85% City and 15% County.

REPORT

On February 16, 2010 the City of Guelph requested a continuity schedule for the one time funding and on-going investment of funds from the Best Start Reserve.

On May 12, 2010 the County of Wellington Social Services Committee received a report which included a continuity schedule for the reserve. The continuity schedule discloses that the distribution of Provincial and Federal funds between the City of Guelph and County of Wellington has not respected the formula for cost allocations.

The County has provided the following continuity schedule for the Best Start Reserve Fund:

Best Start Reserve Fund					
	2005	2006	2007	2008	2009
Opening Balance	\$ -	\$ 2,684,918.19	\$ 3,599,516.19	\$ 3,754,272.72	\$ 1,759,495.85
Inflows:					
Provincial Best Start funding	\$ 2,678,185.00	\$ 877,500.00			
Interest	\$ 6,733.19	\$ 121,536.00	\$ 154,756.53	\$ 132,023.13	\$ 63,201.65
Transfer from Capital project (3)					\$ 566,100.00
Total Inflows	\$ 2,684,918.19	\$ 999,036.00	\$ 154,756.53	\$ 132,023.13	\$ 629,301.65
Outflows:					
Transfer to Operating Budget (1)		\$ (84,438.00)			
Transfer to capital project (2)				\$ (2,126,800.00)	
Total Outflows	\$ -	\$ (84,438.00)	\$ -	\$ (2,126,800.00)	\$ -
Ending Balance	\$ 2,684,918.19	\$ 3,599,516.19	\$ 3,754,272.72	\$ 1,759,495.85	\$ 2,388,797.50

Notes: The table summarizes the reserve balance since the funds were received by the County in 2005.

- (1) Transfer to operating budget in 2006 was used to offset net Best Start Operating costs
- (2) Transfer to capital project in 2008 was for the County of Wellington Community Service Centre in Mount Forest (based on the original budget estimate)
- (3) Transfer from capital project in 2009 reflects funds returning to the reserve based on actual costs incurred to the end of the year relating to the child care centre portion of the County of Wellington Community Service Centre in Mount Forest.

The percentage allocation of the 2006 transfer to the Operating budget is unknown, however the allocation in 2008/2009 is a benefit of 100% to the County. While the Mount Forest Child Care Centre may have been a high priority to the CMSM in 2005, the responsibility for funding this discretionary service was 100% a County responsibility, and should have been funded 100% by the County.

It is recommended that the funds be restored to the Best Start Reserve and that the Reserve fund be apportioned to reflect the funds available to support City and County children in the same proportion as the proportion of City/County children supported in CMSM prescribed Child Care programs.

CORPORATE STRATEGIC PLAN

5.3 Open transparent and accountable government

FINANCIAL IMPLICATIONS

According to the 2009 County arbitration documents, in 2009, the County paid 16% of 2009 prescribed net expenditures, and 28% of discretionary programs. Total revenues in the reserve exceed \$4 million. Almost 40% was spent on the Mount Forest Centre, and the split of the 2006 Operating transfer is unknown.

DEPARTMENTAL CONSULTATION

This report has been prepared in consultation with the CAO, the Director of Community Services and the Director of Corporate Services.

ATTACHMENT: County Arbitration Document

M. Neubauer

Recommended By:

Margaret Neubauer
Director of Finance
519-822-1260 x 5606
margaret.neubauer@guelph.ca

9.3 Child Care Services

9.3.1 Service Overview

61. The Child Care Services Division of the County's Social Services Department is responsible for the planning and management of the delivery of child care services throughout Guelph and Wellington County. Services provided include child care subsidy for financially eligible families; special needs resourcing; wage subsidies to increase the overall level of wages paid to child care workers; and quality monitoring, training and support and community service planning for children birth to age six years. The County also operates two child care centres (one in Guelph and one in Wellington). Governance is provided by the Joint Social Services Committee.

62. Total expenditures for child care services which are subject to this arbitration are estimated to be \$10.6 million in 2009. Total net municipal expenditures in 2009 for these services are estimated to be \$2.0 million. The net municipal share is apportioned between the County and the City based on the residence of the recipient and the location of the child care centres in accordance with the 1995 and 1998 agreements, and is estimated to be \$1.7 million to Guelph and \$336,000 to Wellington.

9.3.2 Service Statistics and Distribution

63. Exhibit 9 shows the total number of licensed child care spaces in Guelph and Wellington. This includes both centre-based spaces and private home child care spaces. Exhibit 9 also shows the number of children who are being provided with a fee subsidy and/or special needs resources, as well as the number of child care centre employees (measured as full time equivalents) receiving wage subsidy, all as of June 2009.

<u>Exhibit 9</u> Subsidized child care spaces and service level statistics as of June 2009			
	Guelph	Wellington	Total
<u>Total number of licensed child care spaces by location</u>			
Child Care Centres	2198	694	2892
Private Home Child Care	<u>151</u>	<u>54</u>	<u>205</u>
Total	2349	748	3097
% of total	76%	24%	100%
Subsidized child care spaces by place of residence			
	556	183	739
% of total	75%	25%	100%
<u>Special Needs Resourcing (# of children served) by place of residence</u>			
Trellis Mental Health and Development Services KidsAbility	176	32	208
Centre for Child Development	125	30	155
Public Health - Wee Talk	<u>137</u>	<u>12</u>	<u>149</u>
Total	438	74	512
% of total	86%	14%	100%
Wage subsidies (# of full time equivalent positions) by location of centre			
	607	107	714
% of total	85%	15%	100%

64. A total of 76% of the licensed child care spaces are in the City of Guelph and 24% are in Wellington County.

9.3.3 Child Care Services Expenditures and Allocation of Costs

65. The full set of services delivered and/or funded through the Child Care Services Division, along with corresponding total expenditures and net municipal costs, are set out in Exhibit 10.

Exhibit 10

**Child Care Services Expenditure and Net Municipal Cost Allocation
 Based on 2009 County Budget (all \$ figures in \$000's)**

Service	Description	2009 Total expenditure	% of total	2009 net municipal cost	
				Guelph	Wellington
Services Included in this arbitration (1)					
Subsidized child care spaces at child care centres and through the Private Home Child Care Programme	Partial or full fee subsidy for financially eligible parents in licensed child care programmes with a Purchase of Service Agreement for Fee Subsidy with the County of Wellington	\$ 3,794	30.3%	\$ 699	\$ 119
Wage subsidies	Wage enhancement to child care programme staff working in licensed child care programmes with a Purchase of Service for Wage Subsidy Agreement with the County of Wellington.	\$ 2,925	23.4%	\$ 337	\$ 46
Special Needs Resourcing	Inclusive support services to licensed child care programmes. Special Needs Resourcing also supports the Quality Child Care Initiative to promote higher quality standards in all child care programmes.	\$ 2,087	16.7%	\$ 301	\$ 102
Child Care Administration	See footnote (3)	\$ 1,749	14.0%	\$ 365	\$ 70
	Subtotal	\$ 10,555	84.3%	\$ 1,702	\$ 336
Other related services provided by the County but not included in this arbitration					
Child Care Grant programme (2)	Funding to a variety of agencies through an annual Grant Programme (formerly the National Child Benefit Reinvestment programme)	\$ 455	3.6%	\$ 362	\$ 93
Willowdale Child Care and Learning Centre (Guelph)	Provides high quality licensed child care for 46 children ages 18 months to six years	\$ 795	6.4%	\$ 131	
Mount Forest Child Care and Learning Centre (Wellington)	Provides high quality licensed child care for 51 children ages 18 months to twelve years co-located with Ontario Early Years and Public Health in the new County of Wellington Community Services Centre.	\$ 713	5.7%		\$ 105
	Subtotal	\$ 1,963	15.7%	\$ 493	\$ 198
	Total	\$ 12,518	100.0%	\$ 2,195	\$ 534

Footnotes:

(1) 2009 Total expenditure includes 100% provincial funding provided under the Best Start Programme)

(2) Grant recipients include the following

- Guelph Neighborhood Support Coalition
- Children's Foundation of Guelph and Wellington
- East Wellington Community Services
- Guelph-Wellington Women in Crisis
- Wellington-Dufferin-Guelph Public Health: Action Read/Wee Talk, Dental Programme
- Community Resource Centre of North and Centre Wellington
- Guelph Community Health Centre Programmes: Early Learning, Kindergarten/Parent survey, Garden Fresh Box, Quality Child Care Initiative
- Data Analysis Coordinator (through Guelph Community Health Centre)

(3) Administration costs include: Director, managers and support staff; general office expenses; staff training and development

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Footnotes:

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- Data Analysis Coordinator (through Guelph Community Health Centre)

(3) Administration costs include: Director, managers and support staff; general office expenses; staff training and development

COMMITTEE REPORT



TO **Social Services & Housing Committee**

SERVICE AREA Community Services
DATE June 22, 2010

SUBJECT **Staff Support to Social Services & Housing Committee**
REPORT NUMBER CS-SS-1013

RECOMMENDATION

THAT the Director of Community Services be assigned the responsibility to lead the development of a constructive working relationship between the Consolidated Municipal Service Managers (CMSM) and the City of Guelph through the Community Services Department;

AND THAT the Director of Community Services provide the City's Social Services & Housing Committee with a work plan and request for required resources in the summer of 2010.

BACKGROUND

In January 2010, City Council established the City's Social Services and Housing Committee. Subsequently, Council approved the Committee's mandate and charter, and authorized funding for specialized third party advice and support to staff in the area of Child Care, Social Housing, Ontario Works, Employment, legal and legislated policy matters, financial advice and auditing support.

REPORT

The County of Wellington provides Ontario Works, Employment, Child Care and Housing Services for the City. In addition to prescribed services, the County has been delivering several discretionary programs (2010 Gross Expenditures \$4.6 million; net City share \$1.1 million) as the CMSM for both Wellington County and the City of Guelph.

Many of the service agencies and programs managed by the CMSM also share a relationship with City of Guelph's staff through the Community Services Department.

As City of Guelph staff continues to evolve a more comprehensive understanding of, and framework for social services, it is recommended that the Director of the Community Services Department be tasked with leading the development of a constructive working relationship with her counterparts at the CSM through Wellington County's Social Services & Housing.

The Director of Community Services will report back to the City's Social Services & Housing Committee with a work plan and needed resources required to assume this responsibility.

The City's Director of Finance will continue to respond and provide analysis on financial matters associated with Social Services and Housing.

CORPORATE STRATEGIC PLAN

A number of strategic goals in the City's strategic plan can be enhanced by a coordinated approach to the delivery of Social Services & Housing to City of Guelph residents.

Goal 2: A healthy and safe community where life can be lived to the fullest

Goal 3: A diverse and prosperous local economy

3.1 Thriving and sustainable local employment opportunities

3.5 A diverse and skilled local workforce

Goal 5: A community-focused, responsive and accountable government

5.2 A consultative and collaborative approach to community decision making

5.3 Open, accountable and transparent conduct of municipal business

5.4 Partnerships to achieve strategic goals and objectives

FINANCIAL IMPLICATIONS

The 2010 tax levy includes approximately \$23 million for Ontario Works, Child Care, Housing and Employment programs delivered by the County on behalf of the City. This represents approximately 15% of the 2010 tax levy.

Resources required to implement the work plan identified in this report, will be brought forward in the summer of 2010.

DEPARTMENTAL CONSULTATION/CONCURRENCE

This report has been prepared in consultation with the CAO.



Prepared By:

Ann Pappert
Director of Community Services
519-822-1260 ext. 2665
ann.pappert@guelph.ca



Recommended By:

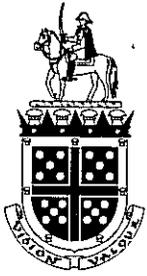
Hans Loewig
Chief Administrative Officer
519-822-1260 ext. 2220
hans.loewig@guelph.ca

**Requests to the County of Wellington
from the
Social Services & Housing Committee of the City of Guelph**

Requested by	Matter	Status
SSH Committee February 16, 2010	Continuity Schedule for one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital Reserve	May 31, 2010 response from County
SSH Committee February 16, 2010	Status and business case for the new child care centre and administration centre for child care services proposed in 2012	May 31, 2010 response from County
SSH Committee February 16, 2010	Proposed increase in municipal costs to cover expenses for the Citizenship and Immigration Canada contract and the one time Enhanced Employment Services programs which will not be renewed in 2011	May 31, 2010 response from County
SSH Committee February 16, 2010	List of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme – Amended Take up Plan" dated January 13, 2010	May 31, 2010 response from County
SSH Committee February 16, 2010	Breakdown of the 2008 Social Housing Capital Repair fund – Re-Allocation of \$1,295,262	May 31, 2010 response from County
Council March 22, 2010	provide the City with a 5 year Strategic Child Services Plan, which provides strategic options that respond to the anticipated consequences of reduction in provincial and federal subsidies, in order to maintain legislated child requirement, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements; County asked to review accuracy and provide any additional information and comments along with detailed statistical	outstanding

	information, to supplement the City of Guelph's Child Care Backgrounder, with the additional data requirements to be detailed by City staff	
SSH Committee April 19, 2010	Guelph Non-Profit Housing Corporation in conjunction with the County develop a financial strategy to mitigate future operating costs deficits prior to 2011 for the Paisley Road Project	outstanding (requested April 28/10)
SSH Committee April 19, 2010	Breakdown of the Social Housing and Renovation Repair Program	outstanding (requested April 28/10)
SSH Committee April 19, 2010	Breakdown of the City and County allocation of federal funding for the Renewable Energy Initiative under the Social Housing Renovation and Repair Programme (SHRRP)	outstanding (requested April 28/10)

June 14, 2010



DONNA BRYCE
COUNTY CLERK
TEL: (519) 837-2600, EXT. 2520
TOLL FREE: 1-800-663-0750
FAX: (519) 837-1909
CELL: (226) 979-5827
e-mail: donnab@wellington.ca

COUNTY OF WELLINGTON

74 WOOLWICH STREET
GUELPH, ONTARIO
N1H 3T9

RECEIVED
JUN - 4 2010
CITY CLERK'S OFFICE

May 31, 2010

Lois Giles,
Director of Information Services/City Clerk
City of Guelph
1 Carden Street
Guelph, ON
N1H 3A1

Dear Ms. Giles:

At the session of Wellington County Council held on Thursday, May 27, 2010, the following recommendation made by the Social Services Committee on May 12, 2010 was approved:

“That the County Treasurer’s report regarding the Request from the City of Guelph’s Social Services and Housing Committee dated February 22, 2010 be approved and forwarded to the City of Guelph; and,

That the City of Guelph be advised to direct all future communications and requests for information relating to Social Services to the Office of the County Chief Administrative Officer.”

Sincerely,

Donna Bryce
County Clerk

Encl.



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chairman and Members of the Social Services Committee
From: Craig Dyer, County Treasurer
Date: May 12, 2010
Subject: Request from the City of Guelph Social Services and Housing Committee dated February 22, 2010

Background:

Attached is a request for information from the City's Social Services and Housing Committee dated February 22, 2010. This report will serve as the County's response to the request.

1) Continuity schedule for the one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital reserve.

The table below summarizes the reserve balance since the funds were received by the County in 2005.

Best Start Reserve Fund

	2005	2006	2007	2008	2009
Opening Balance	\$ -	\$ 2,684,918.19	\$ 3,599,516.19	\$ 3,754,272.72	\$ 1,759,495.85
Inflows:					
Provincial Best Start funding	\$ 2,678,185.00	\$ 877,500.00			
Interest	\$ 6,733.19	\$ 121,536.00	\$ 154,756.53	\$ 132,023.13	\$ 63,201.65
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Outflows:					
Transfer to Operating Budget (1)		\$ (84,438.00)			
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Total Outflows	\$ -	\$ (84,438.00)	\$ -	\$ (2,126,800.00)	\$ -
Ending Balance	\$ 2,684,918.19	\$ 3,599,516.19	\$ 3,754,272.72	\$ 1,759,495.85	\$ 2,388,797.50

Notes:

(1) Transfer to operating budget in 2006 was used to offset net Best Start Operating costs

(2) Transfer to capital project in 2008 was for the County of Wellington Community Service Centre in Mount Forest (based on the original budget estimate)

(3) Transfer from capital project in 2009 reflects funds returned to the reserve based on actual costs incurred to the end of the year relating to the child care centre portion of the County of Wellington Community Service Centre in Mount Forest.

2) The status and business case for the new child care centre and administration centre for child care services proposed in 2012.

The project has no status and there is no business case. The project had been considered by staff and included in the preliminary 2008-2012 five year plan presented to Committee and Council in the fall of 2007. The project was not included in the final 2008-2012 five year plan approved by Council in early 2008 and has not been included in any 5 year capital plan since then.

3) Proposed increase in municipal cost to cover expenses for the Citizenship and Immigration Canada contract and the one time Enhanced Employment Services programs which will not be renewed in 2011.

Citizenship and Immigration Canada

The current contract with the Federal Government expires at the end of 2010. While the County expects that the contract will be extended beyond this date, the County typically budgets for federal and provincial subsidies to the extent that there is some certainty as to their receipt. As such the 2010-2014 social services 5 year plan shows the contract and funding ending as of December 31, 2010. Should this happen the incremental budget impact in 2011 is projected to be as follows:

- Federal funding loss of \$509,000
- Expenditure reduction of \$310,900
- Net budget increase of \$198,100

This will simply bring the overall Employment Services budget back to its historical level, as the net municipal cost of the Employment Services budget was reduced by this amount at the time the contract was initiated.

Enhanced Employment Services

County staff reported on the Province's "Enhanced Employment Services for Vulnerable Persons" initiative in September 2009. The enhanced services are for recipients of social assistance with disabilities including mental health and/or substance abuse issues, at risk youth, older workers, Aboriginal persons, newcomers to Canada, persons fleeing domestic violence and homeless persons. The target group was previously categorized as 'hard to serve' recipients who have been in receipt of social assistance for extended periods. These people tend to have multiple barriers, which prevent them from accessing the labour market.

This programme is saving the City and the County two year's worth of salaries and benefits for two Life Skill Workers. The funding also pays for expensive psychological assessments that the County previously had limited funds to cover. It is time limited funding that ends March 31, 2011 and it is not anticipated that these funds will be extended. When this money ends, the two salaries will revert to being a net municipal cost as they were before the programme began. The annualized incremental budget impact is projected to be as follows:

- Funding loss of \$195,500
- No expenditure reduction
- Net budget increase of \$195,500

As with the Citizenship and Immigration Canada contract, this will simply bring the overall Employment Services budget back to its historical level.

4) The list of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme – Amended Take Up plan" dated January 13, 2010.

The take up plan presented to the Committee in January 2010 identified the amount of 100% provincial funding allocated to each housing provider. For those providers with multiple building locations, the locations were referred to as "various locations". The detailed list of locations is attached as schedule "A".

5) A breakdown of the 2008 Social Housing Capital Repair Fund – reallocation of \$1,295,262.00

A minor reallocation of this 100% provincial funding was approved by the Committee in January 2010. All of the funds have now been expended and a separate report on the final use of the funding is included on this agenda.

Future Communications

To ensure that all communications and requests for information from the City of Guelph relating to Social Services are dealt with in a formal and organized manner, it is recommended that all such communications be directed specifically to the Office of the County Chief Administrative Officer.

Recommendation:

"THAT the County Treasurer's report re: Request from the City's Social Services and Housing Committee dated February 22, 2010 be approved and forwarded to the City of Guelph" and

"THAT the City of Guelph be advised to direct all future communications and requests for information relating to Social Services to the Office of the County Chief Administrative Officer."

Respectfully submitted,



Craig Dyer
County Treasurer

Schedule "A"

List of "various locations" under SHRRP Amended Take up Plan

County of Wellington SHRRP Take Up Plan

Provider	Building Address	Year One Allocation	Year Two Allocation	Total Allocation
Guelph Non-Profit Housing Corp.	470 Auden Road Guelph	\$117,574	\$281,650	\$399,224
	246 Westwood Drive Guelph	\$72,531	\$0	\$72,531
	780 York Road Guelph	\$17,864	\$0	\$17,864
	85 Neeve Street Guelph	\$22,085	\$0	\$22,085
	75 Flaherty Drive Guelph	\$261,893	\$46,650	\$308,543
	150 Imperial Road Guelph	\$460,865	\$28,350	\$489,215
	7 Christopher Court Guelph	\$88,210	\$0	\$88,210
	394 Auden Road Guelph	\$144,159	\$476,290	\$620,449
Total		\$1,185,181	\$832,940	\$2,018,121
Matrix Affordable Homes for the Disadvantaged Inc.	141 Woolwich Street Guelph	\$0	\$10,000	\$10,000
	216 College Street Guelph	\$0	\$10,000	\$10,000
	264 College Street Guelph	\$0	\$10,000	\$10,000
	560 Woolwich Street Guelph	\$0	\$9,310	\$9,310
Total		\$0	\$39,310	\$39,310
Wellington and Guelph Housing Services	261/263 Speedvale Ave Guelph	\$175,011		\$175,011
	576 Woolwich Street Guelph	\$26,542		\$26,542
	33 Marlborough/232 Delhi Guelph	\$47,801	\$7,500	\$55,301
	229 Dublin Street Guelph	\$52,894		\$52,894
	387 Waterloo Ave Guelph	\$20,589		\$20,589
	130 Grange Street Guelph	\$20,127		\$20,127
	411 Waterloo Ave Guelph	\$32,842		\$32,842
	32 Hadati Road Guelph	\$28,431		\$28,431
	15 Willow/39 Dawson Guelph	\$171,785		\$171,785
	110 Edward Street Arthur	\$7,698		\$7,698
	133 Frederick Street Arthur	\$7,698		\$7,698
	221 Mary Street Elora	\$4,748		\$4,748
	22 Church Street Erin	\$4,748		\$4,748
	14 Centre Street Erin	\$4,748		\$4,748
	500 Ferrier Court Fergus	\$13,648		\$13,648
	450 Ferrier Court Fergus	\$30,684	\$7,500	\$38,184
	38 Elizabeth Street Harriston	\$16,248		\$16,248
	56 Mill Street Harriston	\$52,998		\$52,998
	51 John Street Harriston	\$27,496		\$27,496
	235 Egremont Street North Mount Forest	\$4,748		\$4,748
	450 Albert Street North Mount Forest	\$9,497		\$9,497
	Derby Court/Prospect Street Palmerston	\$2,500		\$2,500
	320-360 Derby Court Palmerston	\$36,697		\$36,697
	212 Whites Road Palmerston	\$54,777		\$54,777
Total		\$854,955	\$15,000	\$869,955

**The Corporation of the City of Guelph
Social Services & Housing Committee
June 22, 2010, 3:00 p.m.**

A meeting of the Social Services & Housing Committee was held on June 22, 2010 in the Council Committee Meeting Room at 3:00 p.m.

Present: Councillors Laidlaw, Findlay, Hofland, Piper and Mayor Farbridge

Also Present: Councillors Bell, Beard and Wettstein

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Mrs. L.A. Giles, Director of Information Services/Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

There was no disclosure of pecuniary interest.

1. Moved by Councillor Hofland
Seconded by Councillor Findlay

THAT the minutes of the Social Services & Housing Committee meeting held on May 17, 2010 be confirmed as recorded and without being read.

Carried

Mary DeQuesnay, Executive Director of St. Joseph's Health Centre Foundation was present and provided information on their next generation of affordable senior housing. She advised that they have received funding through the Canada-Ontario Housing Program – Affordable Housing Program Extension 2009 – New Rental Housing Component for this project.

Dan Cremasco provided information on their proposed funding raising campaign.

Consent Agenda

The following items were extracted from the Social Services & Housing Committee June 22, 2010 Consent Agenda to be dealt with separately:

SSH-2010 A.9 Best Start Operating and Capital Reserve Fund

2. Moved by Mayor Farbridge
Seconded by Councillor Piper

THAT the balance of the June 22, 2010 Social Services & Housing Committee Consent Agenda as identified below be approved:

REPORT

a) Staff Support to City Social Services & Housing Committee

THAT the Director of Community Services be assigned the responsibility to lead the development of a constructive working relationship between the Consolidated Municipal Services Manager (CMSM) and the City of Guelph through the Community Services Department;

AND THAT the Director of Community Services provides the City's Social Services and Housing Committee with a work plan and request for required resources in the summer of 2010.

b) CMSM Social Services Reports

THAT the CMSM Social Services Reports be received for information.

c) Summary of Outstanding Requests to the County of Wellington from the Social Services & Housing Committee

THAT the Summary of Outstanding Requests to the County of Wellington from the Social Services & Housing Committee, be received for information.

d) County of Wellington's Response to the City's Social Services & Housing Committee Requests

Ms. M. Neubauer

THAT the County of Wellington's response to the City's Social Services & Housing Committee requests, be received for information.

Carried

Best Start Operating and Capital Reserve Fund

REPORT

- 3. Moved by Mayor Farbridge
Seconded by Councillor Piper

THAT the Best Start Reserve fund be used to support City/County eligible expenditures in the same proportion as the proportion of City/County children benefitting from prescribed programs in 2005 and 2006, when the grant was originally received:

AND THAT the County be requested to restore the City share of Provincial and Federal funds to the Best Start Reserve Fund, including interest, and to use its own source funds for the portion of the Mount Forest Child Care Centre (a discretionary service) that would exceed its proportion of the Best Start Reserve Fund.

Carried

June 22, 2010

Social Services & Housing Committee

Page No. 3

The meeting adjourned at 3:40 p.m.

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Chairperson

COMMITTEE AGENDA



TO **Social Services & Housing Committee**

DATE August 23, 2010

LOCATION Council Committee Room (Room 112)

TIME 3:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST

CONFIRMATION OF MINUTES

June 22, 2010

PRESENTATIONS (Items with no accompanying report)

a)

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Social Services and Housing Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
SSH-2010 A.11 Social Services Work Plan			
SSH-2010 C.12 Summary Of Outstanding Requests To The County Of Wellington From The Social Services & Housing Committee			

Resolution to adopt the balance of the Governance Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

OTHER BUSINESS

NEXT MEETING

September 20, 2010

**The Corporation of the City of Guelph
Social Services & Housing Committee
June 22, 2010, 3:00 p.m.**

A meeting of the Social Services & Housing Committee was held on June 22, 2010 in the Council Committee Meeting Room at 3:00 p.m.

Present: Councillors Laidlaw, Findlay, Hofland, Piper and Mayor Farbridge

Also Present: Councillors Bell, Beard and Wettstein

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Mrs. L.A. Giles, Director of Information Services/Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

There was no disclosure of pecuniary interest.

1. Moved by Councillor Hofland
Seconded by Councillor Findlay

THAT the minutes of the Social Services & Housing Committee meeting held on May 17, 2010 be confirmed as recorded and without being read.

Carried

Mary DeQuesnay, Executive Director of St. Joseph's Health Centre Foundation was present and provided information on their next generation of affordable senior housing. She advised that they have received funding through the Canada-Ontario Housing Program – Affordable Housing Program Extension 2009 – New Rental Housing Component for this project.

Dan Cremasco provided information on their proposed funding raising campaign.

Consent Agenda

The following items were extracted from the Social Services & Housing Committee June 22, 2010 Consent Agenda to be dealt with separately:

SSH-2010 A.9 Best Start Operating and Capital Reserve Fund

2. Moved by Mayor Farbridge
Seconded by Councillor Piper

THAT the balance of the June 22, 2010 Social Services & Housing Committee Consent Agenda as identified below be approved:

REPORT

a) **Staff Support to City Social Services & Housing Committee**

THAT the Director of Community Services be assigned the responsibility to lead the development of a constructive working relationship between the Consolidated Municipal Services Manager (CMSM) and the City of Guelph through the Community Services Department;

AND THAT the Director of Community Services provides the City's Social Services and Housing Committee with a work plan and request for required resources in the summer of 2010.

b) **CMSM Social Services Reports**

THAT the CMSM Social Services Reports be received for information.

c) **Summary of Outstanding Requests to the County of Wellington from the Social Services & Housing Committee**

THAT the Summary of Outstanding Requests to the County of Wellington from the Social Services & Housing Committee, be received for information.

d) **County of Wellington's Response to the City's Social Services & Housing Committee Requests**

Ms. M. Neubauer

THAT the County of Wellington's response to the City's Social Services & Housing Committee requests, be received for information.

Carried

Best Start Operating and Capital Reserve Fund

REPORT

3. Moved by Mayor Farbridge
Seconded by Councillor Piper

THAT the Best Start Reserve fund be used to support City/County eligible expenditures in the same proportion as the proportion of City/County children benefitting from prescribed programs in 2005 and 2006, when the grant was originally received:

AND THAT the County be requested to restore the City share of Provincial and Federal funds to the Best Start Reserve Fund, including interest, and to use its own source funds for the portion of the Mount Forest Child Care Centre (a discretionary service) that would exceed its proportion of the Best Start Reserve Fund.

Carried

June 22, 2010

Social Services & Housing Committee

Page No. 3

The meeting adjourned at 3:40 p.m.

.....
Chairperson

**SOCIAL SERVICES & HOUSING COMMITTEE
CONSENT AGENDA**

August 23, 2010

Members of the Social Services & Housing Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Social Services & Housing Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>SSH-2010-A.11) SOCIAL SERVICES WORK PLAN</p> <p>THAT Report CSS-SS-1019 dated August 23, 2010 regarding a Social Services Work Plan, from the Community and Social Services Department be received;</p> <p>AND THAT the work plan as outlined in Report CSS-SS-1019 be approved in principle, and that the work plan and required resources be referred to the 2011 budget deliberations;</p> <p>AND THAT the Executive Director of Community and Social Services be authorized to actively pursue alternative funding opportunities and partnerships which will assist in achieving the projects outlined in the work plan, as outlined in Report CSS-SS-1019.</p>	<p>Approve</p>
<p>B Items for Direction of Committee</p> <p>C Items for Information</p>	
<p>SSH-2010 C.12 SUMMARY OF OUTSTANDING REQUESTS TO THE COUNTY OF WELLINGTON FROM THE SOCIAL SERVICES & HOUSING COMMITTEE</p>	
<p>Attach</p>	

COMMITTEE REPORT



TO **Social Services and Housing Committee**

SERVICE AREA Community and Social Services Department
DATE August 23, 2010

SUBJECT **Social Services Work Plan**
REPORT NUMBER CSS-SS-1019

RECOMMENDATION

THAT Report CSS-SS-1019 dated August 23, 2010 regarding a Social Services Work Plan, from the Community and Social Services Department be received;

AND THAT the work plan as outlined in Report CSS-SS-1019 be approved in principle, and that work plan and required resources be referred to the 2011 budget deliberations;

AND THAT the Executive Director of Community and Social Services be authorized to actively pursue alternative funding opportunities and partnerships which will assist in achieving the projects outlined in work plan, as outlined in Report CSS-SS-1019.

BACKGROUND

In January 2010, City Council established the City's Social Services and Housing Committee. Subsequently, Council approved the Committee's mandate and charter, and authorized funding for specialized third party advice and support to staff in the area of Child Care, Social Housing, Ontario Works, Employment, legal and legislated policy matters, financial advice and auditing support.

In June, 2010 City Council approved the staff recommendations outlined in the report number CS-SS-1013 to Social Services & Housing Committee directing that the Director of Community Services develop a constructive working relationship with the Consolidated Municipal Service Manager (CMSM); provide Committee with work plan of City's goals in the area of social services & housing; and define required resources for Council's consideration.

PURPOSE

The purpose of this report is threefold:

- 1) to provide Council with a phased work plan;
- 2) to seek Council's input, deliberation and approval in principle of its goals;
- 3) to describe the resource requirements – both one time project resources, and the base operating support required to a) support the assignment of social

services to the Community and Social Services Department and b) to achieve the work plan.

Since local government allocates public resources to policies, services and programs that are expected to enhance quality of life of residents, it is reasonable to reflect the need to define a more community based future focus in this regard, as outlined in this draft work plan.

The 2010 tax levy includes approximately \$23 million for Ontario Works, Child Care, Housing and Employment programs delivered by the County on behalf of the City. This represents approximately 15% of the 2010 tax levy. At present, the City of Guelph does not have a comprehensive strategy for social services and housing that correlates the expenditure of these public civic resources to agreed upon community driven goals and objectives on health, wellness and quality of life.

While in the past, one would look for a Social Planning strategy, Guelph has the opportunity to create a more integrated and comprehensive 'Community Wellness Plan for Guelph' – one that is more holistic and reflective of our neighbourhoods, their unique identities, the complexity of both the services offered and the range of providers, and the changing array of social, cultural, economic and environmental needs of Guelph residents. Therefore, an extensive public process is needed for both citizens and professional staff to share and deliberate on the Plan's objectives.

No new resources are required in 2010 for staff to continue to develop and detail the work plan and propose expansions in the 2011 budget cycle.

REPORT

Current Situation – Functional Alignment of Community and Social Services

On June 29, the Chief Administrative Officer of the City of Guelph implemented a new Functional Model for the Corporation of the City of Guelph. Included in the Functional Model is the introduction of the social services oversight function within the Community Services Department along with direct delivery of arts, culture, entertainment programs and services, parks and recreational programs and services, accessibility & inclusion programs and services, municipal building maintenance services and the ongoing development of community and neighbourhood engagement practices and processes. The Department is now renamed as Community and Social Services.

In responding to Councils' request for a social services work plan, the opportunity exists to develop a work and resourcing plan that more fully reflects Council's challenge to staff to create a more integrated, effective and efficient approach toward community development and wellness and the delivery of services.

Thus, staff has been undertaking a series of informal conversations with a variety of community members, stakeholders and potential partners on the topic of community and social service current and future needs.

As well, staff is reviewing primary data including citizen opinions about community needs, sourced to the development of recent Guelph strategies (e.g. the Recreation, Parks and Culture Master Plan, the Sustainable Neighbourhood Engagement Framework, Prosperity 2020, Guelph Transit Growth Strategy, consultations for the Draft Downtown Secondary Plan, Community Energy Initiatives, Local Immigration Strategy, Substance Abuse Strategy and minutes from the Poverty Task Force.)

Questions Arising

There appear to be three 'high level' principle questions that if answered, would respond to current and future areas of community, social, cultural, economic and environmental areas utilizing the range of expertise attributed to community and social services. The draft questions are:

- 1) What is community wellness for Guelph? What does it mean to be "well" in Guelph and how is it defined by its citizens, neighbourhoods and communities?
- 2) How is a state of 'wellness' achieved by an individual, and by the communities of Guelph, and what factors enhance or detract from this positive state of wellness?
- 3) To achieve community wellness, what relationships, partnerships, programs, and services are fundamental to sustaining the desired level of individual and community wellness? How are these delivered to the community, the neighbourhoods and the individual? What needs to evolve, be added or reconsidered? Is there duplication in effort and resourcing? Are the services and programs being delivered in a way that reflects Guelphs' values as a caring community?

Strategic Objectives, Goals and Actions & Operational Needs

To answer these questions, staff propose three (3) primary strategic objectives be established as the basis of a four year work plan.

Further, base operational support to the Department is also included for 2011 to reflect the development of a social services portfolio within the Community and Social Services Department and to respond to requests from the Social Services & Housing Committee.

A draft of this work plan including actions and a phased timeline is included in Attachment A. Of note, this proposed plan is phased; its actions subject to Council approval for resources and the potential of positive applications for funding partnerships with other levels of government and the private sector.

Strategic Objective #1) Make Transparent what exists and how it works

Goal 1.0 : Inventory, map, assess and understand the array of community, social and housing programs & services offered by all levels of government and the non profit sector to residents of Guelph; and define and make clear the current and

future service delivery models being applied by multiple levels of government and the sources of funding, both operational and capital.

Action 1.1: Financial Audit (previously approved work)

- Underway
- Consultant funded - approved

Action 1.2: Build Internal Knowledge/Framework – Map systems

- Underway
- Consultant funded – approved
- Utilizing existing department staff (operational)

Action 1.3: Building Working Relationship with CMSM/County

- Underway
- Utilizing existing department staff (operational)

Action 1.4: Conduct an Inventory & Assessment of Programs & Services

- Not funded
- Project not defined
- Base operational staff required
- Consultant required

Action 1.5: Conduct a series of meetings with other levels of government to garner information about current and future service delivery models and legislation

- Not funded
- Project not defined
- Base operational staff
- Possible Consultant required

Strategic Objective # 2) Focus on Community Wellness

Goal 2.0: By undertaking a neighbourhood based “Guelph Community Wellness Plan” we will gain a measurable understanding of how our citizens want to ‘be well’ – both together and individually.

Action 2.1: Scope Projects - Meet with community partners, representatives, professional staff and service providers to scope (terms of reference) for the following projects or combination of projects which include:

- a) Community Wellness Plan
 - b) Neighbourhood Identity
 - c) Engagement Processes by Neighbourhood & Communities
 - d) Guelph Investment Strategy (expanded scope to include Social Services)
- Underway
 - Partial funding available to scope project
 - Guelph Investment Strategy funded on more limited scope (\$90,000)

-
- Base staff required
 - Consultant required

Action 2.2: Examination and possible application to third party funders

- Underway
- Partial consultant funding available
- Base staff required

Strategic Objective #3) Correlate Resources to Long Term Outcomes

Goal 3.0: Undertake and complete the development of the "Community Wellness Plan" et al. 'Pull forward', amend, add or amend the current array of programs, services and partnerships needed to sustain those services, programs and resources that meet the future focus on wellness in Guelph.

Action 3.1: Build Implementation Model and Process for Implementation Plan at same time as defining scope/terms of reference for the core projects

- Underway
- Will be built into Action 2.1
- Not funded

Operational Support to Department

This section reflects the base requirements anticipated to support the evolving role of the social services portfolio within the Community and Social Services Department. There are two areas of focus at this time, for staff of the department.

Focus 1: Support to the Committee of Council

A primary responsibility of staff is to respond to requests from, provide informed reports to and facilitate activities required by the Social Services & Housing Committee. In the long term, it is anticipated that the focus of the Social Services & Housing Committee will evolve into a Community and Social Services Committee of Council in 2011 although this change does not reduce the requirement of staff providing for the Committee. This work will be ongoing and will require base staff support.

In the short term, Social Services and Housing Committee has requested several reports and strategies from the County of Wellington's CMSM staff. Staff will work to provide the best review, assess and comment upon the reporting of the CMSM as possible using existing resources.

For the remainder of 2010, existing senior staff will continue to provide direct support to the Social Services and Housing Committee.

Focus 2: Community Response & Facilitation, CMSM Analysis and Review, Project Management

Providing for the development of a good working relationship with the CMSM including the option of a constructive review and assessment of the current programs and services worth \$23,000,000 per year, requires the establishment of a base staff resource for the City of Guelph to work both directly with the CMSM and with consultants.

To further undertake the strategic objectives of the work plan, base staff with social services, housing and community wellness expertise is required. The success of all actions rely on a level of expertise and knowledge, internal coordination, external communications, consultant oversight, project management, and the effective assessment and analysis of information.

Some project management work may be considered 'transitional' in nature. This may include a contract project manager and a social planner for an extended term contract.

For 2011, base minimum staff is projected to be:

- Social Services Policy & Program Coordinator – 1.0 FTE
- Program/Research Data Analyst – 1.0 FTE
- Clerical Assistance – 1.0 FTE
- Finance Department Requirement – estimated 0.5 FTE (pending departmental review)

Rationale for the Work plan

Inherent to this work plan is an understanding of practices and research which suggest that: cities evolve and are unique; residents come, go, stay and may fundamentally change the places or neighbourhoods in which they dwell; the wellness of an individual citizen is linked to the 'ways and means' by which the whole community sustains its wellness; an array of neighbourhood images, identities and uniqueness of character are important attributes to the overall health of any city seeking to maintain its independence, sustain its economic, environment, culture and social strengths.

Further, acknowledging the stress cities and citizens experience in attempting to respond to the complexities arising from the convergence of key service areas at the grass roots level, one is reminded of Albert Einstein's comment (*Insanity: doing the same thing over and over again and expecting different results*) and we therefore are compelled to explore a new way.

Specifically, as municipal government along with its partner service agencies, is best situated to listen, understand and respond to the wellness needs of its citizens, it is therefore a problem that the municipality has no authority to direct reasoned changes to provincially and federally legislated services and programs, to meet the unique and sensitive needs of its residents. Municipalities may work to influence change but they have no direct control.

Yet, municipalities are required to pay a portion of these services directly. The 2010 municipal tax levy includes approximately \$23,000,000 for Ontario Works, Child

Care, Housing and Employment programs delivered by the County on behalf of this Municipality. This represents approximately 15% of the 2010 tax levy.

We need a new way. No wellness problem appears to be in the exclusive purview of a single group, agency or elected body. Research shows that to address complex issues, we need to work both “horizontally” with other sectors in the community, and “vertically” with other levels of government while ‘tapping the working knowledge and wisdom’ of residents.

Thus, to have any long term impact on community wellness, local government requires both a comprehensive community strategy and a new relationship with our provincial and federal government; one that provides municipalities a direct voice over legislation that directly impacts on our local community.

To ensure that our voice is clear and reflective of our residents, we need a plan. At present, the City of Guelph does not have a comprehensive plan for social services and housing that correlates the expenditure of these public resources to agreed upon civic goals and objectives on health, wellness and quality of life. We do not have a Community Wellness Plan.

Since local government allocates public resources to policies, services and programs that are expected to enhance quality of life of residents, neighbourhoods and communities of interest, and thus, the wellness for its residents; it is reasonable to ask that we take the time to define the future focus through a community wellness plan for Guelph, and then ‘pull forward’ those services, programs and resources that are required to meet the future.

With regard to public engagement processes, we have also learned that cities that establish engagement processes in a form that are conducive to the needs of specific neighbourhoods are achieving a healthy level of community ownership for strategies which enable changes in approaches and behavior. In consideration of an approach towards achieving the Strategic Directions and Goals of this work plan, staff would propose that:

- Citizens wish to describe and inform each other about how they (citizens) want to ‘be well’ together, in other words, they define our “community wellness.” And further, they may wish to describe how achieving this desired state of ‘wellness’ should be pursued, and at times publically supported, by a wide range of individual citizens and communities of interest, living distinct and diverse lives, in Guelph.
- An integrated approach to advance ‘community wellness’ is of importance to the overall sustainability of Guelphs’ various service providers.
- We would benefit from a more refined understanding of how citizens wish to be engaged in the ongoing discussion of ‘wellness’.

-
- A well community is one in which its citizens speak of their sense of belonging to the place; their concern for and pride in their neighbourhoods; and have a willingness to share understandings about what is unique to their community. Therefore, to grow community wellness and assign an array of services, programs and strategies appropriately, a combination of data, experiences and stories need to be expressed by the neighbourhoods and citizens who frame and see themselves reflected in the places they call home.

For the development of a future – focused, comprehensive and integrated community wellness plan, based in a solid understanding of neighbourhood identity and data, and for the subsequent assessment and correlation of service/program strategies that achieve ‘wellness’, an extensive public process is needed for both citizens and professional staff to share and deliberate on the objectives.

The process of consultation will take time and the intention of those participating will need to be future focused and positive.

To have the necessary range meaningful conversations requires an array of engagement protocol and those tools need to be tested.

Proposed Next Steps

If Council approves of the direction of the work plan in principle, staff will in the short term (August – October):

- continue to have ongoing dialogues with the community;
- continue to complete the Financial Audit which is underway;
- continue to build a knowledge framework about the social services and housing area utilizing approved consultant support

Before the end of the year, staff will:

- utilize remaining existing resources to further scope and detail the terms of reference for the key long term projects of Community Wellness, Neighbourhood Identity, Guelph Investment Strategy and an engagement process;
- pursue alternative funding opportunities and partnerships which will assist in achieving the projects outlined in work plan, as outlined in Report CSS-SS-1019;
- detail the elements of the work plan with partners and internal departments for consideration in the 2011 budget cycle; these project will require cross departmental coordination and the involvement of an integrated staff team:

No new resources are required in 2010 for staff to continue to develop and detail the work plan.

CORPORATE STRATEGIC PLAN

A number of strategic goals in the City's strategic plan can be enhanced by a coordinated approach to the delivery of Social Services and Housing to City of Guelph residents.

Goal 1: An attractive, well functioning and sustainable city (1.1, 1.3)

Goal 2: A healthy and safe community where life can be lived to the fullest(all)

Goal 3: A diverse and prosperous local economy(3.1,3.2,3.3, 3.5, 3.6)

Goal 4: A vibrant & valued arts, culture & heritage identity(4.5)

Goal 5: A community-focused, responsive and accountable government(5.1,5.2,5.3,5.4, 5.6, 5.7)

FINANCIAL IMPLICATIONS

No new resources are required in 2010 for staff to continue to develop and detail the work plan. There is sufficient consultant funds remaining in the Council approved 2010 allocation of \$60,000 as per Report CS-SS-1013 approved in June, 2010. Existing senior staff will continue to provide direct support to the Social Services and Housing Committee for 2010. If approved, staff will detail the work plan and required resources as an expansion package, to the 2011 budget deliberations.

To address the Social Services function into 2011, it is estimated that the base staffing costs as outlined in this report would be an addition estimated increase of \$260,000 per year for the 3.0 FTE.

The 2010 tax levy includes approximately \$23,000,000 for Ontario Works, Child Care, Housing and Employment programs controlled by the County on behalf of the City. This represents approximately 15% of the 2010 tax levy. This includes funding for both mandatory and discretionary services.

The following are estimates for the key unfunded work plan projects over a period of three years, with the exception of Actions 1.4 & 1.5 (Assessments):

	2011	2012	2013
Expense			
Community Wellness	150,000	150,000	100,000
Neighbourhood Identity	100,000	100,000	
Contract Staff	150,000	150,000	
subtotal	400,000	400,000	
Potential Funding (Grants –tentative)	+150,000	+150,000	TBD
Net Cost	250,000	250,000	

For the purposes of discussion, it is estimated that the combined net cost to the City for pursuing a Community Wellness Plan and a Neighbourhood Identity Strategy would be approximately \$250,000 per year for the next two years, if the City is successful in its application for alternative funding.

Additional funding will be required to complete Actions 1.4 & 1.5 namely, the Assessment of Programs & Services offered by the CMSM (Operating Review) and costs related to meetings with other levels of government. Costing for this option will be forthcoming and will be included in the 2011 budget deliberations.

The Guelph Investment Strategy is currently funded (with a lesser scope) at \$90,000.

DEPARTMENTAL CONSULTATION

This report has been prepared in consultation with the Finance Department, and the office of the CAO, and evolves from ongoing discussions with the community.

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment A: Social Services and Housing Draft Work plan



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**Requests to the County of Wellington
from the
Social Services & Housing Committee of the City of Guelph**

Requested by	Matter	Status
SSH Committee February 16, 2010	Continuity Schedule for one time funding and on-going investment fund for the Best Start Operating Reserve and Best Start Capital Reserve	May 31, 2010 response from County
SSH Committee February 16, 2010	Status and business case for the new child care centre and administration centre for child care services proposed in 2012	May 31, 2010 response from County
SSH Committee February 16, 2010	Proposed increase in municipal costs to cover expenses for the Citizenship and Immigration Canada contract and the one time Enhanced Employment Services programs which will not be renewed in 2011	May 31, 2010 response from County
SSH Committee February 16, 2010	List of various locations referred to in the County report "2009 Social Housing Renovation and Retrofit Programme – Amended Take up Plan" dated January 13, 2010	May 31, 2010 response from County
SSH Committee February 16, 2010	Breakdown of the 2008 Social Housing Capital Repair fund – Re-Allocation of \$1,295,262	May 31, 2010 response from County
Council March 22, 2010	provide the City with a 5 year Strategic Child Services Plan, which provides strategic options that respond to the anticipated consequences of reduction in provincial and federal subsidies, in order to maintain legislated child requirement, and that options also be provided for the City's future consideration of support for discretionary program and service enhancements; County asked to review accuracy and provide any additional information and comments along with detailed statistical	outstanding

	information, to supplement the City of Guelph's Child Care Backgrounder, with the additional data requirements to be detailed by City staff	
SSH Committee April 19, 2010	Guelph Non-Profit Housing Corporation in conjunction with the County develop a financial strategy to mitigate future operating costs deficits prior to 2011 for the Paisley Road Project	outstanding (requested April 28/10)
SSH Committee April 19, 2010	Breakdown of the Social Housing and Renovation Repair Program	outstanding (requested April 28/10)
SSH Committee April 19, 2010	Breakdown of the City and County allocation of federal funding for the Renewable Energy Initiative under the Social Housing Renovation and Repair Programme (SHRRP)	outstanding (requested April 28/10)

June 22, 2010