

**Ministry of Labour, Training
and Skills Development**

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Memorandum

To: Employment Ontario Delivery Partners
From: Cordelia Abankwa, Assistant Deputy Minister
Date: April 25, 2022
Subject: Selection of Phase 1 Service System Managers

Dear Employment Ontario partners:

Today, I am writing about the government's [announcement](#) regarding a significant milestone in its ongoing transformation and integration of Ontario's employment services. The Ministry of Labour, Training and Skills Development (MLTSD) has selected Service System Managers (SSMs) for the Phase 1 catchment areas of York; Halton; and Stratford-Bruce Peninsula.

The new Service System Managers are:

- **York: WCG**
 - WCG is a Canadian subsidiary of the International APM Group Pty Ltd. (APM), a global human service organization based in Australia.
 - WCG is the current SSM for the prototype catchment area of Peel.
- **Halton: Fedcap Inc.**
 - Serving over 250,000 people each year across an international footprint (Canada, US and UK), the Fedcap Group delivers services within four major

- areas of practice (workforce development, educational services, occupational health services and economic development).
- Fedcap Inc. is the current SSM for the prototype catchment area of Hamilton-Niagara.
 - **Stratford-Bruce Peninsula: The Corporation of the County of Bruce**
 - The Corporation of the County of Bruce leads a consortium that includes the Corporation of the County of Grey, the Corporation of the County of Huron, and the Corporation of the City of Stratford.

These organizations were selected through a rigorous competitive process and have demonstrated their capacity to oversee the design, planning and delivery of the new integrated employment services model.

The Ministry will be taking extra time to complete the assessment and negotiation process for the remaining catchment area of Kingston-Pembroke and will provide further information and updates as they become available.

Transition Planning in Phase 1 Catchments

As with the three prototype catchments (Peel, Muskoka-Kawartha and Hamilton-Niagara), new SSMs will have up to twelve (12) months of Planning and Transition periods before assessing and making any potential changes in the local service delivery network. Lessons learned from the prototype phase demonstrated that this was key to successful transition. Referral of Ontario Works clients into Employment Ontario service delivery will begin after the Transition period. The ministry, as well as the Ministry of Children, Community and Social Services, will work with all delivery partners to provide support throughout the Transition Period.

Phase 2 Catchment Areas

On June 10, 2021, the government [announced](#) a multi-stage competitive process which would see SSMs selected for all catchment areas in Ontario between now and the end of 2023. Progress continues on this phased provincial rollout, as the competitive process for Phase 2 catchment areas of Durham, London, Ottawa, Windsor-Sarnia and Kitchener-Waterloo-Barrie is entering the next stage.

The competitive process for Phase 2 catchment areas is expected to be completed by the end of 2022. The ministry will provide further information and updates throughout the process.

Further Information and Next Steps

I would like to take this opportunity to acknowledge your organization's continued work to adjust how services are being delivered to clients.

As we continue to move through this process, I remain committed to providing regular updates to our service providers and stakeholders. Additional details about what is happening now, and next steps, are available in the Qs and As document posted on the [Employment Ontario Partners Gateway](#).

Looking ahead to the final phase (Phase 3) for Toronto, Northeast and Northwest catchment areas, the ministry is committed to actively consulting with community partners and community stakeholders to inform the planning for the competitive process. Further details will be shared as they are available.

As the economy continues to reopen, many people will need quick and easy access to our services to find jobs and stay employed. Integrating employment services is key to better

serving clients who need help now more than ever. As the transformation moves forward, we are seeing encouraging early signs, both in terms of clients served and collaboration between SSMs and Social Assistance delivery partners.

Thank you so much for your ongoing partnership as we move forward with this important transformative initiative which will modernize Ontario's employment and training system.

Sincerely,

Original signed by

Cordelia Abankwa
Assistant Deputy Minister
Employment and Training Division

Cc:

Simone Atungo, Assistant Deputy Minister, Workforce Policy and Innovation Division, Ministry of Labour, Training and Skills Development

Aklilu Tefera, Assistant Deputy Minister, Social Assistance Programs Division, Ministry of Children, Community and Social Services

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Andrew Irvine, Regional Director, Northern Region, Employment and Training Division,
Ministry of Labour, Training and Skills Development

**Ministry of Labour, Training and Skills Development
 Employment Services Transformation:
 Announcement of Phase 1 Service System Managers
 General Questions & Answers**

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Transition In Phase 1 Catchment Areas

I'm a service provider in one of the four Phase 1 catchment areas. How will the Service System Manager (SSM) model impact me?

Similar to the prototypes, the Ministry of Labour, Training and Skills Development (MLTSD) has established a phased approach to transformation that will ensure service continuity and client access as roles and responsibilities shift during the transition from ministry oversight of service providers to Service System Manager oversight.

Planning Period

This period is intended to allow Service System Managers to establish themselves within their catchment area and familiarize themselves with the existing Employment Ontario (EO) service provider network. Service System Managers will not be able to make changes to service delivery or the service provider network during the Planning period.

Transition Period

During this period, Service System Managers will be transferred the responsibility for managing in-scope Employment Ontario (EO) and Ontario Disability Support Program (ODSP) employment services, service providers. However, Service System Managers will not be able to make changes to service delivery or the service provider network during this period.

New Service System Managers will have up to twelve (12) months of Planning and Transition periods before assessing and making any potential changes in the local service delivery network.

Implementation – Integrated ES Delivery

At this time, transition is complete and referral to employment services for Ontario Works and ODSP recipients will be transferred to Service System Managers. The Service System Managers will be permitted to make changes to the service provider network and will be fully responsible for the design, planning and delivery of employment services within their catchment area.

Service System Managers will be required to monitor and manage the overall health and capacity of their service delivery footprint.

Will the ministry provide an opportunity for service providers and the SSMs in Phase 1 catchment areas to meet and introduce their organizations?

As part of the ministry's onboarding plan for Phase 1, MLTSD will be facilitating introductions between SSMs, service providers and municipal partners in their respective catchment areas. This is intended to ensure that SSMs and service providers are aligned and prepared to undertake their respective responsibilities and roles within the new integrated employment services model.

In addition, SSMs will be developing an integrated engagement plan with EO service providers, municipalities and other organizations serving inclusion groups to support effective service planning and delivery for clients.

Will service providers in the Phase 1 catchment areas still offer government training programs like Literacy and Basic Skills, Canada-Ontario Job Grant or Youth Job Connection?

The EO programs in-scope for Employment Services Transformation are:

- Employment Service (ES)
- Youth Job Connection (YJC)
- Youth Job Connection: Summer (YJCS)
- Ontario Employment Assistance Service (OEAS)
- ODSP Employment Supports
- Ontario Works Employment Assistance
- Supported Employment

Not in-scope EO programs will continue to be delivered by the existing service provider network in the Phase 1 catchment areas. MLTSD will continue to provide oversight for these programs.

SSMs will refer jobseekers to appropriate employment and training supports, including referrals to ministry retained programs (e.g., Canada-Ontario Job Grant, Literacy and Basic Skills, Apprenticeship, etc.).

What happens to Employment Ontario service providers who have service delivery sites both inside and outside the Phase 1 catchment areas? Who will hold those contracts?

The new SSMs will establish their own agreements with service providers during the transition period within their catchment area. To allow for this process, the ministry has developed unique service provider agreements for 2022-23 to accommodate this approach as follows:

- **Service providers with sites only inside the catchment areas** will receive an agreement that outlines site commitments for three months (April – June 2022).
- **Service providers with sites inside and outside the catchment areas** will receive an agreement that outlines:
 - Site commitments for three months (April – June 2022) for sites inside the Phase 1 catchment areas; and
 - Site commitments for 12 months (April 2022 – March 2023) for sites outside the Phase 1 catchment areas.
- **Service providers with sites outside the catchment areas** will receive a standard agreement outlining site commitments for 12 months (April 2022 – March 2023).

Why are some sites only getting commitments for three months?

While service providers are receiving status quo funding for the full 2022-23 fiscal year for ES, OEAS, SE and YJC/YJCS, sites in the Phase 1 catchment areas will receive funding from two different agreements:

- The first three months (April – June 2022) of status-quo funding will be reflected in the agreement between the service provider and the ministry.
- The next nine months (July 2022 – March 2023) of status-quo funding will be reflected in the agreement between the service provider and the SSM.

How will the SSMs prepare to implement their new delivery models during Transition period and Integrated ES Delivery?

Each SSM will develop a Transition Phase Outcomes (TPO) submission in consultation with stakeholders in their communities, including service providers, representatives of specialized client groups, municipalities, and others. These plans build upon the submissions provided by each SSM through the Call for Proposal.

Transition Phase Outcomes from SSM submissions are based upon a detailed and evidence-based assessment of network capacity, local demand and service quality. As part of this process, SSMs are required to take into consideration local labour market data, as well as ministry data on client outcomes and service provider performance.

Through this process, SSMs need to further consult, develop, and outline their approach to service delivery including any innovative programs and service planning with specialized providers to meet local community needs. SSMs will also be able to consider any changes to the composition of their service delivery network.

Will there be a mechanism for resolving any potential disputes between service providers and their Service System Manager?

Service System Managers are required to have in place client and service provider dispute resolution mechanisms including response time, escalation protocol and reporting requirements in their contract with the ministry. SSMs are required to report client and service provider disputes and resolutions to the ministry every quarter.

Will smaller employment agencies be concerned about no longer having a direct relationship with ministry regional offices?

The ministry recognizes the importance of local delivery partners in providing high quality employment services to Ontarians. The ministry will be a system steward in the new employment service delivery model. As part of this stewardship role, the ministry will set standards, establish performance outcomes and set the policies and priorities for the integrated employment services system. The ministry is interested in proactive engagement and collaboration with Service System Managers with input from providers focused on solving issues collaboratively and ensuring a healthy service delivery system and market, that empowers clients.

What is changing for the Social Assistance offices in the Phase 1 catchment areas?

The Ontario Works Employment Assistance Program and ODSP Employment Supports Program will be integrated into EO in the Phase 1 catchment areas. The Ministry of Children, Community and Social Services (MCCSS), MLTSD and the appropriate SSM will work together during the planning and transition phase to integrate these programs to support the implementation of integrated employment services that will begin in April 2023.

General EST Information

What is the timeline for implementation of the remaining catchment areas?

Apart from the three prototype catchment areas (Peel, Hamilton-Niagara, Muskoka-Kawarthas), there are currently 12 remaining catchment areas for implementation of the Integrated Employment Services Model.

April 2022: Ministry-Service System Manager transfer payment agreements will be in place by late April 2022 for identified Phase 1 catchment areas (York, Halton, Stratford-Bruce).

April 2022: The competitive process for Phase 2 catchment areas (London, Durham, Windsor-Sarnia, Kitchener-Waterloo-Barrie and Ottawa) will begin in late April 2022 with contracts expected in December 2022.

2023: The competitive process for the remaining higher complexity catchment areas (including Toronto and two Northern Ontario catchment areas) in Phase 3 will occur in 2023, due to the additional engagement and implementation planning required.

How many catchment areas can an organization win in the next round of the competitive process?

Applicants may bid on any of the 5 Phase 2 catchment areas but can only win one.

Have the prototype catchment areas shown positive results so far?

It has been just over a year since Ontario Works and Ontario Disability Support Program Employment Assistance were integrated into Employment Ontario and the Integrated Employment Services Delivery period began in the three Employment Services Transformation prototype catchment areas on January 1, 2021.

Over this time, both MLTSD and MCCSS have started to collect a variety of client data to assess employment outcomes and inform system transformation.

While client employment outcome data is limited, early results have been promising. In the prototypes, more than 39,000 clients have started an employment action plan. Over 17,000 (43%) of those clients were referred to Employment Ontario by their ODSP or Ontario Works case worker. The model is also serving a wide range of clients, including persons with disabilities, newcomers, Indigenous, racialized and Francophone clients.

The ministry will continue to monitor and evaluate progress based on the data.

Why has the ministry announced three new SSMs rather than four? Weren't four catchment areas included as part of the Phase 1 competitive process?

The ministry has completed a fair and transparent competitive process and today's announcement demonstrates continued progress on implementing Employment Services Transformation. The Ministry will be taking extra time to complete the assessment and negotiation process for the remaining catchment area of Kingston-Pembroke and will provide further information and updates as they become available.