Subject: Homelessness Services Review

Report to: Public Health and Social Services Committee

Report date: Tuesday, January 11, 2022

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

*   The purpose of this report is to respond to an enquiry from Council, further to a recent local media article suggesting that a homelessness services related 'audit' in 2019 had not been presented to Council as would have been expected.
*   In fact, contrary to this article, no audit was conducted specific to homelessness services but rather, at the request of the Community Services department, a review/survey of performance management targets and contract practices was conducted by Internal Control and Organizational Performance (ICOP) to assist the department as it prepared for an upcoming contract renewal in the homelessness system, seeking to enhance data and performance measures and identify best practices in contract oversight/management.
*   This project was broken into two distinct phases with a separate report issued for each, Phase 1 Development of Performance Targets and Phase 2 Contract Management (appendices 2 and 3).
*   This report will provide Council with the details of the report and update Council on changes to administration and management of the homelessness system in response to the homelessness services review.
*   The Homelessness Services division has considered all recommendations in the original homelessness review, responding to them based on evolving best practices and the resources and capacity available.

Financial Considerations

While there are no direct financial impacts arising from this report, several recommendations within the Phase 2 Contract Management Report would result in increased financial costs within the Homelessness Services division. Costs associated with adopting any of the recommendations in the report may be considered as part of

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the 2023 budget process or through additional provincial or federal funding should that become available in 2022.

It should be noted that certain Homelessness Services programs that were provided through pandemic funding from two senior levels of government is coming to a conclusion on December 31, 2021 and March 31, 2022 as the funding is ending. The risks associated with the services ending were mitigated in the 2022 budget to the extent possible by budgeting $761,552 for the wind-down of those services, funded through the taxpayer relief reserve.

The limited amount of provincial and federal funding Niagara receives for homelessness services remains a concern, with Niagara receiving amounts well below its comparators. Community Services continues to share, through its associations and with ministry staff, the ongoing needs of the Niagara community.

Niagara Region contributes $4,099,986 levy dollars to homelessness, as included in the 2022 operating budget, despite homelessness largely being a provincial mandate. Based on work performed by KPMG, through the Region's service sustainability review, it was identified that the level of provincial government funding for homelessness is lower than comparable municipalities, which limits the services delivered. As identified by KPMG, Niagara's cost recovery percentage in 2019 was 83.9% compared to 99.7% and 85.2% for Durham and Hamilton respectively. The 2022 cost recovery percentage for Niagara is estimated to be 70.3% as Niagara Region takes on the operating costs for the bridge housing and permanent supportive housing facilities.

Analysis

Homelessness services in Niagara are provided contractually through a network of 18 community agencies delivering programs under four main categories – Outreach, Prevention/Diversion, Emergency Shelters and Supportive /Transitional Housing. Several of the community agencies deliver multiple programs and are required to sign a different contract for each service, resulting in Homelessness Services currently managing 33 contracts.

The contracts that ended in March 31, 2020 with community agencies did not detail performance outcomes, rather focusing on key activities and Community Homelessness and Prevention Initiative (CHPI) transactional measures. To improve operational and strategic decision-making, Homelessness Services leadership wanted to update the next round of contracts to include more detailed performance targets that focused on

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client outcomes, best practices and aligned with the Housing and Homelessness 10 year Action Plan.

Further to a collaborative agreement with ICOP, the process utilized by staff to develop their recommendations included in-depth conversations with six comparable municipalities and engagement of all 18 community agencies to ensure inclusiveness and consensus in the development of performance targets.

Following that session, ICOP studied the latest trends and best practices on contract oversight by focussing on three main areas – contract terminology, contract monitoring and contract compliance. In addition, ICOP reviewed the current administrative structure with Homelessness Services and direct resources allocated to contract oversight. Through the participation of five comparable municipalities, ICOP was able to review and compare existing contracts, propose effective monitoring practices and identify compliance practices. The results of the review are detailed in Appendix 2 – Phase 2 Contract Management.

Homelessness Services, since receiving the Phase 1 and Phase 2 reports, has incorporated recommendations into their system transformation efforts, including the Negotiated Requests for Proposals (NRFP) issued in late 2019 for the contracts covering the period April 1, 2020 to March 31, 2024.

Further to these recommendations, the Community Services department created a single Contract Management/Administration position, through the repurposing of another position, to support the Homelessness Services division, along with the other departmental divisions.

It had been planned to present the Homelessness Services Review to PHSSC for information, in September 2019 (Appendix 1). While plans were well underway to implement most recommendations in upcoming contracts, the report to Committee was deferred as the division's position on recommendations related to proposed staffing increases was not clear and pressures for the 2020 budget were anticipated to be quite challenging. Subsequently, the pandemic in early 2020 had an extraordinary impact on the Homelessness Services division, as it refocused priorities, redeployed a portion of the team to operate an isolation site/shelter (which continues to operate), and as significant funding was added to the division's responsibilities to administer (both presenting opportunities as well as new responsibilities and accountabilities). This situation is anticipated to continue until at least the summer of 2022.

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Responding to the needs of the homeless serving system is complex, with many competing priorities. In order to move towards data driven decision making and maximize resources, Homelessness Services developed a data strategy beyond the KPI's recommended in the report. Not only will this ensure the limited funding available is grounded in best practice but it also demonstrates how staff are progressing towards system goals.

The following details the recommendations and actions undertaken to address these:

Recommendation 1

Niagara Region should approve and implement the Key Performance Indicators (KPIs) and Performance Targets identified in the Phase 1 report and incorporate them into all future contracts.

- Homelessness Services contracts, developed for the RFP's issued in 2019 forming the basis of the current contracts expiring March 31, 2024, included program and system outcomes and KPIs.
- The Region's Housing and Homelessness Action Plan includes metrics and targets.
- Niagara Region will continue to work with the community to refine system and program measures and targets, and enhance consistent data collection policy and procedures for Niagara Region's homeless serving system and its movement towards 'System 3.0'.

Recommendation 2

Homelessness Services should monitor the KPIs and performance targets and consult with providers to ensure they reflect current operating needs.

- A data strategy has been initiated for the homelessness serving system, with a dashboard currently under development.
- The current contract language highlights that Niagara Region will continue to work with the community to refine system and program measures and targets and enhance consistent data collection policy and procedures for Niagara Region's homeless serving system and its movement from 'System 2.0 to System 3.0'.
- All current contracts have a monitoring clause.

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Recommendation 3

Homelessness Services should ensure that all KPIs and performance targets are communicated and understood by providers to support effective and regular monitoring.

- The division held a KPI planning session with providers to discuss and agree on the best indicators for each subset of services provided by the division.
- The data strategy has been initiated for the homelessness serving system
- In areas, such as Home for Good, Housing First and outreach, KPIs and targets have been further developed with input from agencies.
- Where the division has included new services, for example Bridge Housing, a consultant (OrgCode) has been engaged to support the development of metrics and program evaluation.

Recommendation 4

Homelessness Services should consider detailing within their contracts a formal meeting schedule with all providers to discuss ongoing performance achievements. Meetings should occur at a minimum annually but also be based on program risk, complexity and funding.

- This action will be further developed once the data strategy has been fully developed.

Recommendation 5

Homelessness Services should consider outsourcing or adding additional resources to support the rollout, training and support for HIFIS 4.0 while expanding its resources around data analytics

- Niagara Region has provided extensive training to build system capacity and ensure all agencies and the Region have confidence in the data contained in HIFIS.
- The Homelessness team has been enhanced by one additional temporary staff person that supports HIFIS along with other duties within the service manager role.
- Support with IT resulted in the ability to pull real time data from HIFIS, that is seen by other municipalities as a leading edge data analytics approach. This particular project won the Region's Corporate Innovation Award in 2020.

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Recommendation 6

Homelessness Services should add a Right to Audit clause to its contract to allow them to review for data integrity, accuracy of reporting and conduct a financial audit of all funding sources.

- All current contracts now include this language.

Recommendation 7

Homelessness Services should also consider adding a holdback clause based on the timeliness and quality of reporting to ensure Regional reporting requirements to provincial and federal funding agencies are not compromised.

- The recommendation was considered but not implemented as most agencies are already fund-raising additional dollars to support the work they do with these vulnerable clients, and a holdback was seen as only adding further burden to agencies who struggle to deliver services with the funding available.
- The work to develop the data strategy and metrics has been supported and performed in partnership with funded agencies. The importance and value of quality data and data informed decision making is supported by Niagara's partner agencies in ensuring a quality system with limited resources.

Recommendation 8

Homelessness Services should consider adding additional resources to effectively monitor, evaluate and collaborate with service providers to ensure:

- Program objectives are being achieved.
- Niagara Region's role as service manager is effectively coordinated and delivered.

- A full time Contract Administrator position was implemented in the department, which supports all divisions in monitoring insurance compliance, WSIB and timing of contract renewals.
- Additional staffing was not considered for the division at the time of the review, due to limited funding. The Region, as service manager, has made every attempt to maximize the flow of funds to agencies to support direct service delivery. Should

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additional sustained funding be made available in the future this recommendation will be reconsidered.

Recommendation 9

Homelessness Services needs to address their administrative support function by ensuring sufficient resources are dedicated to effectively support service providers and manage the overall program.

- The division does agree and support this recommendation, however the Region remains underfunded based on the demand in the community, and continues to make every effort to ensure monies are allocated to direct service delivery.

Alternatives Reviewed

While the majority of recommendations have been implemented, the originally proposed plan to audit the performance of agencies in 2022, relative to the metrics developed, may be delayed in light of the extraordinary pressures the COVID pandemic has had on the homelessness serving system. With an approach of 'safety first', and operations challenged with limited staffing and access to housing and health/social supports, performance monitoring has focused primarily on safety, infection prevention and mandated control measures, outbreak management and ensuring system capacity to respond to critical needs. A plan to audit new performance metrics will be established at the conclusion of the pandemic.

Relationship to Council Strategic Priorities

This recommendation is aligned to Council's strategic priority of ensuring a "Healthy and Vibrant Community."

Other Pertinent Reports

COM 10-2019 - Homelessness Services System Review

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Appendices

Appendix 1 – COM 37-2019 Homelessness Services Review