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**REPORT TITLE:**     **Transform Service: Improving Service Quality and Housing Outcomes at Regional Emergency Shelters**

**FROM:**               Janice Sheehy, Commissioner of Human Services

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## **RECOMMENDATION**

**That the changes to the service delivery model for emergency shelters as described in the report of the Commissioner of Human Services titled “Transform Service: Improving Service Quality and Housing Outcomes at Regional Emergency Shelters” listed on the July 8, 2021 Regional Council agenda, be approved.**

## **REPORT HIGHLIGHTS**

- The Region of Peel Emergency Shelter services have been re-designed to improve service quality and outcomes. New contracts have been awarded.
- New contracts commenced on July 1, 2021 with Our Place Peel, Services and Housing in the Province (SHIP), and the Salvation Army of Canada.
- The new contracts will be managed using improved contract management practices and will reflect the new shelter operating model that is more client-centric and outcome-focused, with an improved quality of service, aligned to our needs-based approach.
- Through a competitive process for acquisition of service providers and the re-scoping of the contacts to focus providers on services to residents and not the facility, \$2.3 million in operating funding is now available for re-allocation to higher value-added activities.
- As such, staff is seeking Council approval to re-purpose \$2.3 million in Housing Support base operating funding towards enhanced property management standards, additional needs-based subsidies, and to increase the internal staff complement by 7 Full Time Equivalent (FTE) positions with no impact on the tax base.

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## **DISCUSSION**

### **1. Background**

The Region of Peel oversees four<sup>1</sup> emergency shelters, serving families, single adults and youth experiencing homelessness. The shelters include the Peel Family Shelter (Mississauga), Cawthra Shelter for single women and men, or couples without children (Mississauga), Wilkinson shelter for single men (Brampton) and the Queen Street temporary youth shelter

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<sup>1</sup> The Region of Peel also funds shelter beds at Our Peel Place and Ellen House. These beds will not be impacted by the changes described in this report.

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(Brampton). Over the last 5 years, the growing affordable housing crisis in Peel has placed unprecedented pressures on the shelter system. Occupancy levels and longer lengths of stays have created conditions for clients and staff that are challenging.

The approach needed to address these pressures is outlined in Peel's 10-Year Housing and Homelessness Plan, as well as the Action Plan Toward Ending Youth Homelessness. The solutions are being implemented through the *Transform Service* Strategy and are well underway.

*Transform Service* is a multi-year initiative, predicated on the Housing First philosophy. It involves redesigning previously siloed and disconnected programs, into a coordinated system of supports, enabled by modern technology. Programs being improved and transformed include street outreach, Region-owned shelters, eviction prevention supports, subsidy and wait list administration, and case management.

This report focuses on the Region-owned shelters.

### **2. Enhancing Regional Shelter Operations**

Addressing the growing pressures in the shelter system requires an increase in shelter beds and changes to how shelter services are delivered.

#### **a) Increase in Shelter Beds**

On July 9, 2020, Regional Council approved the purchase of a new Family Shelter in Mississauga. The shelter is now open and includes 120 units increasing the unit capacity twofold from the previous location's capacity of 60 units. In addition, Council prioritized a permanent youth shelter and family shelter in Brampton within the Housing Master Plan. Funding for these shelters has been secured and pre-planning for the Brampton Youth shelter is underway.

#### **b) New Shelter Operating Model**

Ending homelessness in Peel requires changes to how Regional shelters are operated. Peel's shelter standards have been updated to improve the quality of service that is required to be provided at the shelters including: a more responsive client complaints and appeals process, the addition of a client code of conduct, and clear direction on service provider's responsibilities to improve contract management. The new operating model also includes an increased focus on diversion at shelter intake to reduce new entries/re-entries into homelessness and to quickly resolve a household's homelessness. Finally, the new model also involves shifting the oversight of facility maintenance and case management functions from the shelter operator to Housing Services.

These changes, in addition to improving client outcomes, will also address the recommendations as outlined in an internal audit titled "Emergency Shelter Operations Contract Management Audit" presented to the Audit and Risk Committee on April 16, 2020.

The table below highlights the key changes and expected benefits.

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| New Approach  | Expected Benefits  |
|---|--|
| Improved referrals to Housing Support Workers   | Lower average length of stay; more shelter clients permanently, stably, and affordably housed  |
| Updated policies and performance expectations to provide a safer environment that fosters a respectful stay for clients | Improved client experience through requiring a re-emphasis on shelter staff providing excellent customer service   |
| Comprehensive diversion services at shelter intake that includes rapid rehousing component after intakes                | Reduce the number of shelter visitors/stays and reduce households' time experiencing homelessness.   |
| Improved use of key performance Indicators  | Improve accountability and transparency, measurement, and reporting processes  |
| Overflow facilities will be procured and coordinated by the Region  | Improve quality and overflow coordination and addresses risk identified in internal audit findings   |
| More proactive approach to combating systematic racism and promoting cultural diversity                                 | Will help to identify and address gaps in underserved populations. Will foster an environment that respects the unique needs, perspectives, and experiences of clients and staff and build more trust amongst them |
| Improved accountability and controls  | Will strengthen program accountability and controls and address risks identified in the internal audit   |

### c) New Contracts

The existing contracts with the long-term service provider Salvation Army were extended three times, as work was undertaken to re-design shelter standards to improve service quality and outcomes. The most recent extension as approved by Council in May of 2020, was further recommended because during the initial phases of the pandemic many non-profit agencies were operating at reduced capacity and/or were focused on their COVID-19 response. The delay was anticipated to increase the number of bidders, which it appears to have done.

After a competitive Request for Proposal Process, new contracts for the four emergency shelters commenced on July 1, 2021. Contracts are 2-year terms with optional extensions, at the sole discretion of the Region, for an additional five twelve-month terms. The new contracts will be managed using improved contract management practices and will reflect the new shelter operating model. The new contracts were awarded as follows:

- Services and Housing in the Province (SHIP) awarded to the Peel Family Shelter
- The Salvation Army in Canada awarded to the Cawthra Rd. Shelter

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- The Salvation Army in Canada awarded to the Wilkinson Rd. Shelter
- Our Place Peel (OPP) was awarded to the Brampton Queen Street Youth Shelter

### d) Re-purposing Resources to Improve Outcomes

The proposed changes to shelter operations and a rescoping to the contracts is expected to improve accountability and client outcomes. The new contracts have also created the opportunity to re-purpose \$2.3 million in base operating funds to higher value adding activities that will help to improve outcomes. Details are in the table below.

| Item                         | Amount               | Description/Rationale   |
|------------------------------|----------------------|---|
| Property Management          | \$775,000            | Will be used to fund Property management, maintenance, and cleaning for all shelters, to be delivered by a new provider. This enables the shelter service provider to focus on shelter operations and not facilities management.  |
| Needs-Based Subsidy          | \$860,000            | Savings from the contracts will be used to increase needs-based subsidies.<br><br>This will result in approximately 80 more units of <b>needs-based subsidies</b> from the current budgeted service level (approximately 3427 to 3507). This will be used in private market rental stock.   |
| 7 Full Time Equivalent Staff | \$665,000            | 4 Housing Support Workers, 1 Housing Supply Representative, 1 Contracts Coordinator and 1 Housing Supply Coordinator.<br><br>The shelter service provider will focus on assisting clients with service navigation and a search for housing. Enhanced services for more intensive needs-based case management support will be provided from Region of Peel Housing Support Workers.<br><br>These staff work together to assist clients to attain new housing and ensure appropriate supports are in place to retain housing. Additional staff are needed to maintain current caseloads of approximately 50 households per staff and response times of 1-3 days to when first contact with the client is made. Currently, approximately 500 households are residing in a shelter. |
| <b>TOTAL</b>                 | <b>\$2.3 million</b> |   |

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The redirection of funding will have no impact on the tax base and will deliver more value for regional tax dollars by improved outcomes and service quality and by supporting Peel's 10-Year Housing and Homelessness Plan to end homelessness.

### **RISK CONSIDERATIONS**

The new shelter model involves several strategic and operational changes. Staff anticipates that the combined effect of all changes will reduce the pressures on shelter occupancy rates and overflow costs, while improving client experience and outcomes.

It is understood that there are pressures facing the shelter system due to factors beyond the control of the Region of Peel (e.g. structural changes in the economy, increases in precarious employment and low paying jobs; increases in house prices and rents). The new contracts and new approach will improve outcomes and service quality but may not fully address the growing need for emergency shelter in Peel.

The transition of this contract to the new providers may result in loss of employment for some of the current contractor's staff, and labour and employment law liabilities for new service providers. Regional staff are sensitive to the unfortunate timing of these potential job losses in light of the Covid-19 pandemic; however, the change is essential to ensure successful housing outcomes for our clients.

### **FINANCIAL IMPLICATIONS**

Staff is requesting that funding within the approved 2021 Housing Support Service base operating budget be repurposed to fund property management services, needs-based subsidies, and a complement increase of 7.0 Full Time Equivalent (FTE) employees at a cost of approximately \$2.3 million with no net impact.

### **CONCLUSION**

After a competitive Request for Proposal Process, new contracts for the four emergency shelters commenced on July 1, 2021. The new contracts will be managed using improved contract management practices and will reflect the new shelter operating model. The model is more client centred, outcomes focused and aims to improve service quality.

The new operating model will require additional supports provided by Regional staff. As a result, staff recommends redirecting funding to enhanced property management, additional needs-based subsidies, and an additional 7 Full Time Equivalent (FTE) positions. This will have no impact on the net tax base.

By implementing these recommendations, system pressures can be partially alleviated and urgent needs of the homeless and at-risk homeless population can be better met.

## **Transform Service: Improving Service Quality and Housing Outcomes at Regional Emergency Shelters**

*For further information regarding this report, please contact Aileen Baird, Director Housing Services, [aileen.baird@peelregion.ca](mailto:aileen.baird@peelregion.ca)*

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### ***Reviewed and/or approved in workflow by:***

Department Commissioner, Division Director and Financial Support Unit.