TO: Chair and Members
   Emergency & Community Services
   Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: May 19, 2010

SUBJECT/REPORT NO:
2010 One-time Funding for Hamilton Food Banks (CS10048) (City Wide)

SUBMITTED BY:
Joe-Anne Priel
General Manager,
Community Services

PREPARED BY:
Brian Kreps (905)546-2424 Ext. 4288
Gillian Hendry (905)546-2424 Ext. 4818

SIGNATURE:

RECOMMENDATION:

(a) That one-time funding for Hamilton Food Share and its member agencies for 2010, in the amount of $350,000, to be funded through the Tax Stabilization Reserve #110046, be approved.

(b) That the General Manager of the Community Services Department be authorized and directed to execute the Service Agreement between the City of Hamilton and Hamilton Food Share, for the $350,000 in funding from the City of Hamilton, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

There was a 26% increase in food bank visits in 2009, as more households resorted to food banks to feed their families as a result of the economic downturn. Even prior to 2009, Hamilton’s food banks were experiencing steadily increasing levels of use. This high demand for service has pushed the food banks to the limit of their resources. Food banks are funded largely through monetary and food donations from the community. Donations vary seasonally, making it difficult for the food banks to plan and meet the
needs of their clients. In the spring of 2009, the food banks reported that it was necessary to turn people away due to a lack of adequate food and staffing resources.

Although 2010 data is not yet available, this upward trend in food bank utilization is expected to continue. The size of the Ontario Works caseload remains high. In March 2010, the caseload was 13,527 cases, which is the first time that the caseload has reached this number since June 2000. The number of households awaiting social housing in March 2010 was 5171 individuals and families. The size of the waitlist has increased by 25% during the past year. Despite positive predictions concerning an economic recovery, Hamilton continues to experience major lay-offs and plant closures.

The Special Diet Allowance which is administered through the Ontario Works program is currently under review by the Province of Ontario. It was announced in the 2010 Ontario Budget that the Special Diet Allowance will be eliminated and replaced by the new “Nutritional Supplement Program” administered by the Ministry of Health and Long-Term Care. It is unknown at this point how the change will affect Ontario Works participants; however, it is expected that fewer individuals will be eligible for the supplement which will reduce the monthly income for many Hamilton families. More families will resort to the food banks and place further pressure on an already stressed system.

The research findings outlined in the Code Red series published by the Hamilton Spectator in April 2010 clearly demonstrate the impact of poverty in Hamilton’s lower city neighbourhoods. The disparities between Hamilton’s neighbourhoods uncovered in the health mapping project verified the impact of an individual’s neighbourhood upon health conditions such as life expectancy, emergency room visits, and respiratory-related problems. Health is influenced by a complex mix of factors called the Social Determinants of Health including education, social support networks, and, most importantly, the level of income. The neighbourhoods most at risk have the lowest incomes, the lowest dwelling values, the highest rates of people living below the poverty line and the highest drop out rates from high school. They are also the greatest users of the local food banks. Utilizing food banks is the only recourse for households who are dependent on low social assistance payments for their shelter costs and basic needs such as clothing and food.

In 2009, the City of Hamilton responded to the food bank funding crisis by providing $186,430 for staffing and food purchases during the critical summer period. Later in the year, another $100,000 was approved by Council to support the Christmas Hamper Program.

Hamilton Food Share, its member agencies and Social Housing and Homelessness Division staff, are working to implement strategic directions for the emergency food system, as approved by Council in November 2009. Implementation of the strategic directions outlined in No One Goes Hungry: Strategic Directions for Hamilton’s
Emergency Food System Plan 2010-2012 (Report CS09072) will be completed and presented to Emergency and Community Service Committee by October 6, 2010.

The strategic directions will focus on:
- Creating greater stability to emergency food services;
- Implementing standards to improve services for clients;
- Increasing coordination of services; and,
- Advocating for poverty reduction and educating the public.

Unlike other mandated social service programs such as Ontario Works, Social Housing and Child Care, municipalities have no provincially legislated mandate to manage or fund emergency food services. In Hamilton, decisions related to emergency food services have historically been made on an ad hoc basis as there is no existing framework or strategic plan to work within.

Any recommendations concerning sustainable annualized funding for the emergency food system which includes the food banks and the hot meal programs will be contained in the implementation plan for No One Goes Hungry: Strategic Directions for Hamilton’s Emergency Food System Plan 2010-2012 and will be referred to the 2011 budget process.

Until these recommendations are brought forward in October, there remains a need for food bank funding for 2010. It is therefore recommended that in 2010, $350,000 in one-time funding be provided to Hamilton Food Share and its member agencies to assist with bulk food purchases and staffing so that access to food banks can be ensured throughout this year. This funding will provide interim financial stability for the food banks and the ability to plan effectively for the balance of the year.

Alternatives for Consideration – None.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:
The total amount of $350,000 was determined by adding the two one-time approvals for 2009 ($286,430) plus 18% to address the continued increase in number of households resorting to food banks. The funding would be used to pay for staffing costs and bulk food purchases by Hamilton Food Share and its member agencies to prevent shortages caused by seasonal variations in volunteers as well of donations of food and money. It would also help support the Christmas Hamper program.

A Service Agreement with Food Share and its member agencies will be established that will provide parameters concerning expenditures related to the additional funding. All
funding allocated for staff must focus on enhancing front line service delivery at the food banks – not for administrative costs. Additional front-line staff will free up time for administrative staff to solicit donations of food and additional funding resources. The Service Agreement will specify performance measures that will be monitored and reported back to the City on a quarterly basis. There will be an expectation that a Financial Report be submitted at year end outlining all expenditures related to the additional funding.

The one-time funding would be funded first through 2010 Community Services Operating Surplus, second through 2010 Corporate Surpluses and third through Tax Stabilization Reserve Fund.

**Staffing:**
There are no staffing implications associated with Report CS10048.

**Legal:**
Social Housing and Homelessness Division staff will work with the Legal Services Division to develop a Service Agreement with Food Share concerning the funding arrangements.

**HISTORICAL BACKGROUND**

The March 2009 Hunger Count survey indicates that food bank and hot meal use in Hamilton was up 26% from March 2008. This translates into 19,602 visits to Food Share member agencies in March 2009 alone. The increase in use was caused, in large part, by the economic downturn that has produced high levels of unemployment in Hamilton and an increased Ontario Works caseload.

This increase has placed a huge demand on the food banks which are primarily funded by donated dollars and staffed by volunteers. In the spring of 2009, some agencies found it necessary to turn people away because they did not have adequate staff or volunteers to stay open for longer hours. In other instances, they were not able to provide as much food or as great a variety because supplies were low.

As the summer of 2009 approached, Food Share and its member agencies became concerned about their ability to meet demand. During the summer, visits to the food banks usually increase as children are no longer participating in school-based nutrition programs. Also, donations drop off as donors focus on summer activities. In response, the City of Hamilton agreed to provide $186,430 in funding to the Hamilton Food Share and its member agencies, Assessment of Food Bank Inventory Shortage (Report CS09046). The funding was intended to address much needed food purchases and staffing.
In November 2009, Hamilton Food Share and its member agencies request for $100,000 in support of their annual Christmas Hamper Program was approved by Council (Emergency Food System Strategic Directions (Report CS09072).) The amount of the request has been the same since 2004 despite the fact that program utilization has increased significantly. The $100,000 contribution was a significant step in addressing the 17% increase in requests for Christmas Hampers over 2008.

In 2009, Ontario Works piloted a project to provide food vouchers to Ontario Works participants. This $200,000 initiative was another important strategy with the goal of reducing food bank use. The pilot has ended and is being assessed to determine the potential for replication in the future. Findings from the pilot will be referenced in the development of the implementation strategy for the emergency food system.

POLICY IMPLICATIONS

There are no policy implications associated with Report CS10048.

RELEVANT CONSULTATION

The Finance and Administration Section was consulted in the writing of this report and it was their direction that the funding be provided by the Social Services Initiative Fund.

ANALYSIS / RATIONALE FOR RECOMMENDATION

To create greater stability, the food banks joined together with several other key stakeholders to develop a strategic plan. The plan was endorsed by Council in November 2009 Emergency Food System Strategic Directions (Report CS09072). Work is currently underway to develop service standards, map the service system to improve coordination between services and note interconnections with other service providers.

One of the goals of the strategic directions is to work towards greater stability in funding for the food bank system. Critical to achievement of that goal is a sustainable source of funding for the purchase of food and operational costs. The implementation strategy will include seeking alternate sources of funding, advocacy for adequate funding from other levels of government and the possible realignment of existing resources within the emergency food system.

As a result of the global economic crisis, the food banks in Hamilton experienced a major increase in the number of households resorting to food banks to feed their
families. Even as local economic indicators slowly improve, the impact of the economic downturn will continue for many years. Past trends show that when social service utilization spikes during a crisis, the need for the service does not decline as quickly. For example, the Ontario Works caseload will not decrease as quickly as it rose during the most recent economic downturn.

This high level of food bank use is placing a continual strain on the resources of Hamilton Food Share and its member agencies. The food banks are largely funded through donations of food and money from corporations and individuals. Corporate food donations have dwindled over the past few years as some of the major food processors have left the area. This places added pressure on the food banks to raise additional funds to purchase food.

One of the key challenges for the emergency food providers is matching need with donations throughout the year. This holds true in terms of both staffing and food donations. Donations tend to peak around Thanksgiving and Christmas and decline in the summer when there is an even greater demand on the system. During previous summers, the food banks were forced to reduce the number of people served or reduce the amount of food provided to each individual and family.

Providing the one-time interim funding to the Food Share and its member agencies will allow them to bridge the lower donation periods. It will also help them to improve some staffing so that they can leverage even more donations throughout the year and begin to implement the service standards that are currently being developed.

**ALTERNATIVES FOR CONSIDERATION**

There are no alternatives for consideration to Report CS10048.

**CORPORATE STRATEGIC PLAN**


**Social Development**

- Residents in need have access to adequate support services.

**Healthy Community**

- Adequate access to food, water, shelter and income, safety, work, recreation and support for all (Human Services).

---

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honest, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
APPENDICES

There are no appendices attached to Report CS10048.