SUBJECT: Labour Market Development and Labour Market Partnership Agreements (SSC06025) (City Wide)

RECOMMENDATION:

(a) That Council correspond with the Minister of Training, Colleges and Universities (draft letter attached as Appendix A to Report SSC06025), to request that the local Consolidated Municipal Service Managers be included at the provincial planning table, and be permitted to lead local planning activities for implementation of the Labour Market Development and Labour Market Partnership Agreements.

(b) That members of Council meet with local area Members of Provincial Parliament in order to advocate for participation of the local Consolidated Municipal Service Managers at the provincial planning table and to lead local planning activities for implementation of the Labour Market Development and Labour Market Partnership Agreements.

(c) That correspondence be sent to the Association of Municipalities (AMO) requesting their support of this initiative and further request that this resolution be forwarded to all municipalities requesting their support.

Joe-Anne Priel
General Manager
Community Services Department
EXECUTIVE SUMMARY:

In November 2005, The Canada-Ontario Labour Market Development Agreement (LMDA) and the Labour Market Partnership Agreement (LMPA) were signed. The LMDA is designed to support the development of a skilled workforce and the rapid re-employment of unemployed Canadians. The LMPA is designed to address joint federal and provincial labour market priorities that are outside the scope of Employment Insurance funded programs.

Planning for implementation has remained at the Federal/Provincial level with minimal engagement at the municipal or Consolidated Municipal Service Manager (CMSM) level. It is imperative for local municipalities to be included in the provincial planning process and to lead the planning at a local level.

The Province of Ontario is the last to sign such an agreement with the Government of Canada. Ontario is unique in that the delivery of social assistance and employment programs is delivered at a municipal level and cost-shared with the Province. Municipalities in Ontario have a vested interest in labour force development, as a key economic strategy, as well as for community health and well-being. Municipalities need to have a direct and active role in the planning process for the Labour Market Agreements where their interests, responsibilities, needs and expertise will have a positive impact on the outcome – an integrated employment support system that is accountable and effective.

CMSM have a proven record for the effective planning and implementation of employment programs, based upon provincial and federal directives. Municipalities are both aware of and responsive to the economic development needs and subsequent local employment and program opportunities. This crucial time of transition for greater provincial responsibility requires the expert planning and participation of the City of Hamilton and other local CMSM for whom it is being designed.

BACKGROUND:

The Labour Market Development Agreement

The LMDA is designed to support the development of a skilled workforce and the rapid re-employment of unemployed Canadians. It transfers responsibility for the design and delivery of Employment Insurance funded employment programs from the federal to provincial level. Ontario is the last province to sign the agreement with the Government of Canada.

The LMDA promotes harmonization and coordination in the design and delivery of labour market programs and services in Ontario. It is projected that $1.57 billion in federal funding will be flowed to Ontario from 2006 to 2009. It is proposed that a One-Stop Training and Employment System will improve access to employment programs and provide better service to Ontarians through more effective and coordinated efforts.
The provincial and federal governments are currently negotiating the transfer of federal employees to the Ontario Public Sector for completion by January 1, 2007. A joint federal/provincial management team has been established to plan and manage all aspects of the transfer.

**The Labour Market Partnership Agreement**

The LMPA is designed to address joint federal and provincial labour market priorities that are outside the scope of Employment Insurance funded programs. It is projected that $1.36 billion over six years will be flowed to Ontario beginning in 2006-07.

Under the LMPA, the federal government has committed to providing support in six priority areas: labour market integration of immigrants, apprenticeship, literacy and essential skills, workplace skills development, Aboriginal peoples, and assistance to those facing labour market barriers, such as Ontario Works participants.

**Municipal Opportunity**

The Consolidated Municipal Service Managers (CMSM) level are advocating for a seat at the provincial/federal planning tables before the service delivery model has been defined and to provide leadership to the local planning process.

**ANALYSIS/RATIONALE:**

CMSM are presently the service system managers for the employment services’ needs of low-income people in the community. CMSM understand their community better than other levels of government because they operate locally. CMSM are accustomed to translating provincially established parameters and priorities into effective local solutions and services that build on the capacity of existing local stakeholders. Municipalities currently demonstrate leadership in linking the employment service needs of their citizens with the labour market needs of the community. Municipal interest relates not only to social assistance costs but also to the wider interests of economic development, tax incentives, assessment base, affordable housing, childcare and community health.

CMSM are the direct link to the long-term success of the One-Stop Service concept that is being planned by the Ministry of Training, Colleges and Universities. Time, cost-savings and service planning are going to be the primary challenges as the LMDA moves forward. Hamilton’s Ontario Works Employment Services and the Career Development Centre provide the following attributes, which will meet those challenges:

- single access point to employment services;
- physical and functional hub of service;
- services to address barriers to employment such as childcare and housing;
- knowledge and support of the “hidden supply” workforce;
- strong leverage of economic development interests through established partnerships with businesses and employers; and,
• decades of experience translating provincial program objectives into local employment strategies.

**ALTERNATIVES FOR CONSIDERATION:**

Municipal participation is critical to the long-term success of the new service delivery model for employment services. Municipal interests include economic planning and the positive and negative impact of changes to labour market conditions such as costs related to the delivery of social assistance.

The City of Hamilton has a financial interest in how the Labour Market Agreements are implemented because municipalities cost share in the employment services that we deliver. The City of Hamilton delivers a variety of employment services for the residents of our community. The City has contracts to provide services on behalf of the federal government for social assistance recipients, employment insurance claimants and the general public, which will be transferred to the province under the new agreement.

Participation in the planning process will be an opportunity to influence the amount and type of funding for skills development and other employment services for the residents of Hamilton.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial, staffing and legal implications are unknown at this time although there is the potential for profound changes to the current service delivery model and funding for employment services in the City of Hamilton.

It is projected that $1.57 billion in federal funding will be flowed to Ontario from 2006 to 2009 for the LMDA. It is also projected that $1.36 billion over six years will be flowed to Ontario beginning in 2006-07 for the LMPA. It is, therefore, crucial that CMSM be present at provincial planning tables and lead the local planning processes.

**POLICIES AFFECTING PROPOSAL:**

Implementation of the LMDA and LMPA are at the planning stage. No changes to policy have been identified at this time.

**RELEVANT CONSULTATION:**

The Ontario Municipal Social Services Association (OMSSA) is coordinating and representing the 47 CMSM province-wide on this initiative. All CMSM are being encouraged to participate in advocating for local participation in the LMDA and LMPA planning process.
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
This crucial time of transition needs the expert planning and participation of CMSM for whom it is being designed in order to address the needs of our community.

Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☑ Yes ☐ No
CMSM are responsive to the economic needs and subsequent employment and program opportunities of their own communities.

Does the option you are recommending create value across all three bottom lines? ☐ Yes ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No
It is important that CMSM be part of the planning process for implementation of the One-Stop Service Delivery Model as it will have an impact upon the current service delivery model for employment services in the City of Hamilton.
September 12, 2006

Honourable Christopher Bentley
Minister of Training, Colleges and Universities
Mowat Block, 3rd floor
900 Bay Street
Toronto ON M7A 1L2

Re: Labour Market Development Agreement

On behalf of Hamilton City Council, we respectfully request that you include Ontario’s municipalities in the crucial planning phase for implementation of the Labour Market Development Agreement (LMDA).

The Province of Ontario is the last to sign such an agreement with the Government of Canada. Ontario is unique in that the delivery of social assistance and employment programs is delivered at a municipal level and cost-shared with the Province. Municipalities in Ontario have a vested interest in labour force development, as a key economic strategy, as well as for community health and well being. Municipalities need to have a direct and active role in the planning process for the LMDAs where their interests, responsibilities, needs and expertise will have a positive impact on the outcome – an integrated employment support system that is accountable and effective.

Municipalities already have a well-established relationship with the Ministry of Community and Social Services; working together on planning and implementing policy changes and projects for both the Ontario Works and Ontario Disability Support Programs. We are set to work equally effectively with the Ministry of Training, Colleges and Universities in responding to the employment services planning needs for the recently signed LMDA. We are requesting that municipal representatives be included at the provincial planning table in order to provide input on local capacity building. We also request that the City of Hamilton provide leadership to the planning process for the design of the transition and rollout of new initiatives at a local level.

The City of Hamilton, as a Consolidated Municipal Service Manager (CMSM), has functioned as an effective planner and service provider for local employment services for many decades. We are aware of and responsive to the economic development and labour force development needs within our own community.

CMSM’s are the direct link to the long-term success of the One-Stop Service concept that is being planned by the Ministry of Training, Colleges and Universities. Hamilton’s Ontario Works Employment Services and the Career Development Centre provide the following attributes, which will meet those challenges:

- single access point to employment services;
• physical and functional hub of service;
• services to address barriers to employment such as childcare and housing;
• knowledge and support of the “hidden supply” workforce;
• strong leverage of economic development interests through established partnerships with businesses and employers; and,
• decades of experience translating provincial program objectives into local employment strategies.

I look forward to discussion and collaboration, regarding this very important matter, which will have an impact on the level of service, training and employment opportunities for all citizens in the City of Hamilton.

Sincerely,

Larry DiIanni, Mayor
City of Hamilton

Cc: Local Area MPPs
    Ontario Municipal Social Services Association
    Association of Municipalities of Ontario
    Mary Burnett, Municipal Program Manager, Ministry of Community and Social Services